UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN CONTINENTAL EUROPE

Developments in the cotton textile situation in Continental Europe during December and January appear to have been slightly on the favorable side from the standpoint of raw cotton consumption, according to reports a/ from Acting Agricultural Commissioner Steere at Berlin to the Bureau of Agricultural Economics. Mills in Central Europe report an increase in new business, after a declining tendency of sales for two or three months, and there are also indications of a slight improvement in France and Italy. The Bremen market reports a material increase in spinner buying activity since the middle of December. This development is encouraging as evidence that the Continental, and especially the Central European, cotton trade is not in an overbought condition; it also points to the maintenance for some time further of the present satisfactory level of manufacturing activity in Northern and Central European cotton spinning mills.

Tightening of international competition is indicated, however, in the action of German spinners in reducing prices to shut out the rising tide of French and Italian competition on the domestic market. This action also handicaps the Austrian and Czechoslovakian trade and points to keener competition by Continental textile exporters in all export fields.

Germany

The outlook for continued large requirements of American cotton by German cotton spinning mills remained favorable up to the latter part of January. The mills maintained activity at around 100 per cent throughout December and the early part of January, and even reported some improvement in the volume of sales. Spinners generally enjoyed a very satisfactory Christmas business, and the new business recently received gives them unfilled orders extending into April. Yarn buyers apparently have regained confidence as a result of the firmer tendency of raw cotton prices, and retail demand continues good. Retail sales of textiles in November were 11.3 per cent above sales in November 1926, according to a report of the Textile Retailers Association.

It is indicated, however, that the increased volume of new business by spinners has not been satisfactory from the standpoint of prices, a general reduction in German quotations having occurred under pressure from increasing French and Italian competition in recent months. Such a cut has seemed to be in prospect for some time as spinners' margins in Germany have

a/ Based on written report dated January 17 and brought up to date by cables dated January 27 and 30.

been fairly wide and it did not seem likely that German spinners, once their unfilled orders had become substantially reduced, would allow foreign competition to continue to take such a large amount of German trade. As a consequence of the price reduction French and Italian competition has been much reduced since the middle of December.

German cotton weaving mills, on the other hand, have recently been issuing less optimistic reports and are said to be supplied with unfilled orders for only about two months ahead, although activity is still high. Establishments reporting 119,120 looms indicated 111,376 as active during November, while in October 120,097 reporting looms indicated 112,381 active. The average weekly activity in November was 51.14 hours as compared with 51.32 in October.

Business on the Bremen market recovered around the middle of December from a rather protracted period of inactivity, dealer buying for import as well as sales to mills in Germany, Czechoslovakia and Poland being much better up to the middle of January. The improvement is attributed to the firmer tendency in raw cotton and to the increased volume of new business recently falling to spinners in these countries.

Stocks of American cotton at Bremen on January 14, 1928 had fallen below figures for a year previous for the first time in many months, totaling 583,000 bales as compared with 611,000 bales on January 14, 1927.

While the outlook in Germany, therefore, appears quite favorable, there is a certain element of uncertainty in the situation which should not be overlooked. Spinners themselves are somewhat pessimistic as to the prospects for a continued satisfactory inflow of orders. The somewhat less favorable economic outlook, the increased level of cotton prices, increased foreign competition, and the tendency of buyers to commit themselves for a shorter period, are some of the signs pointed to as indicative of a changed situation. Spinners' views are much influenced, naturally, by the increasing competition and the less favorable margins now being received. However, it appears unlikely that there will be any sudden or drastic general curtailment of operations within the next few months.

Czechoslovakia

Reports on the Czechoslovakian cotton spinning industry continue relatively favorable. Here, as in Germany, the volume of incoming orders for cotton yarn has again increased as a consequence of more stable cotton prices. Christmas trade was good and activity of the mills in December is privately reported to have been maintained at about the same level as in November, when operations were at the rate of 110.6 per cent of single shift capacity as compared with 113.5 per cent in October. Unfilled orders now extend into March. If the recent increase in sales is maintained - and the outlook for domestic business is considered good - it seems likely that mill activity may stay around 100 per cent capacity for some little time to come.

The export outlook, however, has become less favorable. Yarn exports to Germany have been steadily contracting for some time and the recent cutting of prices by German spinners makes sales to this important market even more difficult than before. Increasing English and Italian competition in the Balkan countries, especially in cotton fabrics, is making business more difficult in this region also, sales being possible only at prices leaving an insufficient profit for manufacturers. Domestic sales, on the other hand, are still generally satisfactory and have even improved recently, buyers apparently having gained more confidence in the price level. Czechoslovakian spinners expect domestic demand to be well maintained in the immediate future and are, therefore, looking to a considerable volume of new domestic orders which will partially offset smaller foreign orders.

Austria

Austrian cotton spinning mills were still operating at a relatively high rate of activity during December, but the declining tendency of unfilled orders has continued, according to private reports. The reduction of yarn prices by German spinners has further impaired the ability of Austrian mills to sell in the German market and unless there is an increase of unfilled orders greater than now expected, it will doubtless be reflected in the reduction of spinning activity in Austria before long, possibly as soon as February or early March. Unfilled orders for yarn are now said to extend into March. The recent pick-up in buying in Czechoslovakia and Germany has resulted in some new business for Austrian mills, but prospects are not considered encouraging.

Within Austria, itself unemployment is again on the increase, touching the level of last year. Under these circumstances domestic sales prospects do not appear very good for the immediate future.

France

French export business to Germany in cotton yarn and fabrics has been materially reduced by the German reduction of prices in December, but yarn exports to other countries improved in December, and January press reports indicate further revival in yarn sales, both for export and for domestic consumption. Fabrics, however, continued depressed.

Italy

The Italian cotton spinning industry has also been affected by reduction of prices by German spinners, orders from Germany having fallen off, but reports of increasing Italian sales activity in the Balkans continue. At the end of January larger yarn sales were reported but margins are still considered unsatisfactory because of reduced prices. Commitments are said to extend over seven to eight weeks. Spindle activity for January was reported at $87\frac{1}{2}$ per cent compared with 87 per cent in October, and active looms about 90 per cent compared with 93 per cent. Spinners' buying was moderate but general improvement was expected.

Poland

Although sales of the Polish cotton textile industry are reported to have been less satisfactory during November and early December, operating activity still maintained at a high level. According to a private report, 300,000 spindles were operating three shifts, 1,000,000 spindles two shifts, and 100,000 spindles one shift in the Lodz district in December. Bremen sales to Poland have recently improved.

Hungary

The Hungarian cotton textile industry was still maintaining a high rate of activity in the early part of January, and the outlook remained good. Consumer demand has recently improved after a period of some quietness. Imports of textiles are reported lower.

Belgium

The raw cotton market in Belgium was quiet during December as a result of much smaller yarn sales and some curtailing of spinning activity. Yarn stocks were reported to be increasing but cotton stocks were not considered large. Weaving mills reported full activity, working on old orders, but new business is limited. Exports of fabrics have fallen off but improvement is expected.

COTTON: Czecho-slovakian consumption and spinning mill activity

Item	November, 1926	October, 1927	November, 1927
	Bales	Bales	Bales
Cotton consumption:			
American	30,870	40,520	41,153
Indian	7,280	5,690	5,780
Sundries	2,280	2,860	2,897
Total	40,430	49,070	49,830
	Per cent	Per cent	Per cent
Activity of the fine spinning mills on basis of spindle hours	90.40	113.50	110.62
Activity of active spindles	86.40	95.19	95.55
Active spindles	104.60	119.5	115.80

Source: Allgemeiner Deutcher Textilverband.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-21

March 7, 1928

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe

Reports on the cotton textile situation in Continental Europe during January and the first half of February indicate no significant change in the immediate outlook, according to reports[a/] from Acting Agricultural Commissioner Steere at Berlin to the Bureau of Agricultural Economics. A few mills in Germany and Central Europe appear to be reducing production to some extent, and in Poland considerable curtailment of operations seems to be taking place because of overproduction during the closing months of 1927, but the general level of activity is being quite well maintained in most countries and new orders have recently been about sufficient to enable maintenance of current operating levels. Belgian mills are fully engaged, but received few new orders in January and apparently are beginning to accumulate some yarn stocks. These developments seem to indicate that Northern and Central European spinners generally will not be forced into sudden and sharp curtailment of production in the immediate future, although some slackening is possible.

French and Italian reports continue to point to progress in readjustment in the textile industries of those countries, as sales are again reported somewhat improved and it appears that production has increased slightly in recent weeks.

Business in Continental raw cotton markets was comparatively quiet during the latter half of January, because of the weakness in prices, a factor which also influenced spinners' business to a considerable extent. The first two weeks of February, however, have brought a revival of market activity; Bremen reports considerably improved sales to spinners as well as more active buying interest on the part of dealers. The figures on actual takings by Continental spinners, however, show a decline during the first part of February, amounting to 210,000 bales during the two weeks ending February 10 as compared with 240,000 in the previous two weeks and 356,000 bales during the corresponding weeks last year. Takings this season up to January 27 amounted to 2,758,000 as compared with 2,766,000 a year ago.

Germany

Developments in the German cotton industry during January and early February seem to have lent some additional stability to the outlook for the next few months. Certainty appears to be growing that mills will not be forced into a sharp curtailment of production even though they have now been operating at a high rate for over a year. Some mills in the Rhine region

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a/ Based on written report dated February 17 and brought up-to-date by cable of February 29.

have recently reduced activity to some extent, but the general level of operations continues close to full one-shift capacity and the recent tendency of new orders is to about keep pace with the current level of production.

Spinners now have unfilled orders for about three months ahead. While new orders are coming in at a moderate rate generally, and some spinners are less well supplied than others, the current order situation seems relatively satisfactory. Some of the increase in yarn sales is doubtless due to the cutting into French and Italian competition by the reduction in German yarn prices.

The situation of the weaving mills is somewhat less favorable than with spinners, activity being reduced to some extent and unfilled orders extending only into April. Weaving mills are still accepting orders for comparatively near delivery and it is possible that some mills have accumulated certain stocks. This, however, is not looked upon as dangerous in view of the pronounced tendency for the retail trade to carry as small stocks as possible, which means that wholesalers and to some extent the mills perform this function. Retail buying seems likely to continue in a fairly steady volume, as the recent inventory sales were reported generally satisfactory with the result that stocks were considerably reduced. The white goods sales, however, were not entirely up to expectation, which is of some importance for the cotton goods branch. Recent cautiousness in retail buying of fabrics as well as yarn has been due partially to the weakness in raw cotton and yarn prices, and it is possible that buying will improve with the market steadier. Retail turnover of textiles during December was nine per cent below last year in quantity and six per cent in value.

French and Italian competition was lowered to a minimum by the action of German spinners in reducing yarn prices, but there was a revival of competition during February. Spinners are complaining about present margins, but the cutting of prices increased the volume of business.

While the Bremen market has been showing periods of considerable dullness in recent months, the lack of buying interest seems very largely due to instability of prices, as spinners, with mill activity continuing at high levels, are finding it necessary to come into the market whenever prices become more stable. The firmer tendency during February has again brought a revival in buying activity, one in which dealers have shown renewed interest in imports, as have spinners for consumptive requirements. Visible supplies of American cotton on the Bremen market continue to decline, the situation having improved steadily in this respect since December.

Czechoslovakia

January developments in the cotton textile industry in Czechoslovakia insure the continuance of satisfactory mill activity for some months further. The improvement in sales noted in December has been maintained during January, and mills now have unfilled orders extending through April, whereas a month ago new business reached only into March. January orders for the domestic market appear to have been even better than in December, probably as a result of the very satisfactory movement of goods at inventory sales.

Czechoslovakian spinning mills are continuing to operate at high levels, the December figures, which recently became available, showing maintenance of operations at 110.6 per cent of single shift capacity, the same figure as reported for November. Private reports indicate that there has been comparatively little change during January, and the outlook for the immediate future is still satisfactory, spinners themselves appearing to share in the feeling of optimism, in spite of the fact that export prospects are not favorable.

The less satisfactory development of exports has been intensified in the case of the German market by recent reductions in German yarn prices, and it is expected that Czechoslovakian yarn exports to Germany will continue to fall off. Increasing English and Italian competition in fabrics has also been encountered in the Balkans. Czechoslovakian mills, however, still appear able to hold their own in this market, although margins are reported low.

Activity of Czechoslovakian fine spinning mills

1926-	Basis Spindle Hours Per cent	Active Spindles Per cent	Activity of Active Spindles Per cent
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.90
November	90.40	86.40	104.60
December	96.50	87.40	110.40
1927-			
January	95.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	109.00	93.00	116.10
May	110.00	93.00	118.20
June	110.00	93.50	117.60
July	102.80	93.00	110.50
August	107.20	94.20	113.80
September	114.90	95.00	121.00
October	113.50	95.19	119.50
November	110.62	95.55	115.80
December	110.60	96.60	110.00

Allgemeiner Deutscher Textilverband.

Austria

While figures are not yet available, reports indicate that the activity of Austrian cotton spinning mills was probably slightly lower in January than in December. The curtailment of operations, however, is still proceeding slowly and the general level of activity remains satisfactory. The volume of unfilled orders, moreover, has suffered no further reduction during the month and business on hand extends into April, so that the outlook seems slightly more favorable than a month ago. It does not appear that Austrian mills will be forced into sudden and drastic curtailment of activity in the immediate future.

Sales to Germany continue restricted, particularly in view of the recent reduction of German yarn prices, but some new export business has been coming in, which, if sustained, will help to preserve current operating levels. The export market outlook, generally speaking, however, is not encouraging, and the domestic situation could be much better. Unemployment this winter has again reached the high levels of a year ago, although many industries have been operating at a relatively good rate.

France

Trade reports indicate that the French cotton industry was able to increase its activity to some extent during January, as a result of better yarn sales both to domestic and foreign markets, the latter in spite of the fact that business in yarn to Germany has been materially reduced during the past two months. The tone of reports from the weaving section of the industry also indicates some betterment during the month. Considering the general quietness and uncertainty of the raw cotton market in January, these indications of improvement in the French cotton industry seem encouraging.

Italy

Middle of February reports from Italy indicate a continuation of the slowly improving tendency of the Italian cotton textile situation in recent months. Italian spinners complain of keen foreign competition in both the domestic and foreign markets, particularly in finer counts, but there are indications that mills are making progress in readjusting costs and also in eliminating competition among themselves, apparently through inter-mill agreements. Yarn exports to Germany have recently decreased, but apparently improved to other markets.

Weavers are reported operating at moderate levels, but making every effort to avoid working on short time schedule. Efforts to reduce costs are reported as having satisfactory results. While exports have not been active generally in recent months, business to the Balkan countries is improving steadily, and progress has also been made in regaining African and Near and Far Eastern markets in competition with British and French goods. This is especially true of mixed cotton and rayon goods, in the better grade of which Italian weavers seem to be having the best results, and finding good demand. Italian mill stocks of fabrics are reported light. Trade reports state that Italian stocks of raw cotton are comparatively moderate, possibly around two months' normal requirements.

Poland

While figures or details as to the situation in the Polish cotton textile industry are lacking, reliable private reports state that the industry has been rapidly working itself into an unfavorable situation in recent months. The stimulus to the Polish coal industry resulting from the English coal strike, which extended eventually into practically all lines of Polish industry, had a pronounced effect upon cotton textiles. This development was greatly favored, moreover, by exceptionally low prices for cotton. Polish textile mills quickly reached a very high level of activity, the majority of them operating at two and even three shifts - and many were also enlarged, this situation prevailing up to as late as December 1927.

The eventual result, especially with sales declining since early in the Fall, was overproduction, and recent reports indicate that there has been a large accumulation of yarn stocks. It is reported that attempts have recently been made to establish a cartel to regulate competition and prices and, if necessary, to export at a loss in order to work off the accumulated stocks. Very little has been done so far and there seems to be no immediate solution in sight.

The situation has been complicated by lack of organization in the Polish textile industry and the inability of the mills to get together. Many mills have been encouraged to continue operating two or three shifts in spite of accumulating stocks, because of the low cost of production.

Belgium

A report on the Belgian textile situation in January, by Vice Consul Sherman at Ghent, states that spinning mills operated full time, but received only limited orders and accepted very low margins, many mills also accumulating stocks. Rather large yarn stocks are said to exist in some mills. Some weavers are reported as not taking delivery on Fall orders for yarn because of the limited demand they are finding for fabrics. The weaving industry reports very slow demand, both in the domestic market and for export.

The Belgian market for raw cotton was also quiet during January, although there were price inquiries for March and April shipment, according to Vice Consul Sherman. Dealers' stocks of cotton are reported as not large, but spinners are said to have from two to three months requirements.

Hungary

Hungarian mills continue to operate at full capacity and the outlook is favorable for the maintenance of operations, although orders declined during the month of January because of the uncertainty in the raw cotton market. Business in cotton goods, however, remained very satisfactory. Foreign competition on the Hungarian market is increasing, but it appears likely that the Hungarian industry will continue to do good business for some time to come.

Cotton Demand Situation in other Foreign Countries

Japan

Japanese mills making high count yarns for China and other export markets are using American cotton almost entirely this season, according to a cable received from Agricultural Commissioner Nyhus at Shanghai. Conditions in the cotton spinning and weaving mills are not as favorable as last season, however, and consumption of American will undoubtedly be less than last season. Exports of cotton from the United States to Japan for the five months ended January 31, 1928 totaled 727,023 bales of 500 pounds gross compared with 970,704 bales for the same period last season.

China

Cotton spinning mills in China continued in full operation during February, according to a cable received from Agricultural Commissioner Nyhus at Shanghai. Demand for yarn remained good and prices received by the mills were profitable. With the best grades of Chinese cotton consumed there has been some interest shown in buying Indian cotton.

Russia

Purchases and shipments of American cotton for Soviet Russia made by the All-Russian Textile Syndicate for the half year ended January 31, 1928 amounted to 134,000 running bales and 113,200 running bales respectively. Purchases and shipments for the same period last year were 118,900 bales and 144,950 bales and for the six months ended July 31, 1927, totals were 380,453 bales and 358,353 bales respectively. According to reports of plans for the 1927-28 season by the Textile Joint Stock Company which monopolizes imports of cotton for Russia, purchases and shipments will probably be smaller during the second half of the season than during the same period last season.

Cotton production in foreign countries

Cotton production in foreign countries for the 1927-28 season will be about the same as for last season, according to all information received to date. In ten foreign countries reporting for the 1927-28 season, production totals 6,545,000 bales of 478 pounds net, compared with 6,580,000 bales for last season. These countries produced 66 per cent of the foreign cotton crop for last year and include such important producing countries as India, Egypt, Chosen, Mexico and Peru. India's production is considerably larger for this season, but this increase has been offset by decreases in production in Egypt and Mexico. No estimate has been received for this season for China and Brazil which are important producing countries. The Chinese crop is reported to be good but no information has been received for the crop in Brazil.

The reduced crop in the United States for this season brings the total for all countries reporting to date down to 19,334,000 bales of 478 pounds net compared with 24,557,000 bales produced in the same countries last season. These countries produced 88 per cent of the world total production of cotton last year.

COTTON: Area and production in countries reporting for 1927-28, with comparisons

Item and country	Average 1909-10 to 1913-14	1925-26	1926-27	1927-28	Per cent 1927-28 is of 1926-27
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States	34,152	46,053	47,087	40,168	85.3
India	22,503	28,491	24,976	23,812	95.3
Egypt	1,743	1,998	1,854	1,574	84.9
Russia	1,569	1,614	1,731	1,973	114.0
Mexico	253	429	613	306	49.9
Chosen	146	485	529	502	94.9
Uganda	58	617	570	540	94.7
Anglo-Egyptian Sudan	44	230	216	250	115.7
Bulgaria	2	8	7	13	185.7
Italy	9	9	9	10	111.1
Algeria	2	15	19	12	63.2
Syria and Lebanon	--	79	77	76	98.7
Yugoslavia	--	2	2	2	100.0
Total above countries	--	80,030	77,690	69,238	89.1
Estimated world total excluding China	62,500	83,400	80,900		
PRODUCTION a/	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
United States	13,033	16,104	17,977	12,789	71.1
India	3,585	5,230	4,162	4,586	110.2
Egypt	1,453	1,629	1,497	1,250	83.5
Chosen	20	125	145	143	98.6
Mexico	187	202	360	156	43.3
Peru	110	200	247	b/ 250	101.2
Anglo-Egyptian Sudan	14	110	130	128	98.5
Tanganyika	8	18	20	14	70.0
Bulgaria	1	2	3	4	133.3
Algeria	1	6	9	5	55.6
Syria and Lebanon	--	13	c/ 7	c/ 9	128.6
Total above countries	--	23,639	24,557	19,334	78.8
Estimated world total including China	20,900	27,900	28,900		

Official sources and International Institute of Agriculture except as otherwise stated.

a/ Bales of 478 pounds net. b/ From an unofficial source. c/ Allepo only.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-January, 1926-27 and 1927-28
(Bales of 500 pounds gross)

Country to which exported	July-January 1926-1927	July-January 1927-1928	January 1927	January 1928	January, 1928 Long staple	January, 1928 Short staple
LONG AND SHORT STAPLE:	Bales	Bales	Bales	Bales	Bales	Bales
Germany	1,898,531	1,490,247	278,317	170,533	14,156	156,377
United Kingdom	1,779,867	747,017	273,256	184,053	41,911	142,142
France	786,248	685,053	90,711	86,625	13,928	72,697
Italy	581,012	412,133	91,085	71,882	8,687	63,195
Spain	244,528	207,086	39,073	33,266	3,250	30,016
Soviet Russia in Europe	193,676	200,270	15,717	12,630	7,323	5,307
Belgium	166,672	136,163	25,598	16,706	2,860	13,846
Netherlands	102,305	88,599	16,438	18,548	2,983	15,565
Sweden	50,859	36,203	13,048	4,773	351	4,422
Other Europe	75,250	61,173	11,403	4,506	851	3,655
Total Europe	5,787,948	4,063,944	854,646	603,522	96,300	507,222
Canada	161,304	145,405	28,662	24,049	1,405	22,644
Japan	970,704	727,023	164,126	94,720	2,369	92,351
China	133,957	100,528	28,009	14,285	419	13,866
British India	78,176	23,318	29,840	5,022	0	5,022
Other countries	5,998	2,818	1,093	326	0	326
Total exports	7,229,087	5,063,036	1,106,376	741,924	100,493	641,431
Total imports a/	213,885		59,560			
Total reexports a/	11,059		3,269			
Net exports	7,026,261		1,050,085			
LINTERS:						
Germany	70,013	78,719	25,026	8,181		
United Kingdom	24,727	16,180	14,236	4,322		
France	11,220	18,178	620	3,254		
Other Europe	9,404	11,344	3,934	2,110		
Total Europe	115,364	124,421	43,816	17,867		
Canada	9,416	9,472	2,077	1,019		
Other countries	107	77	1	2		
Total exports	124,887	133,970	45,894	18,888		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-22

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FOREIGN NEWS ON COTTON

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WORLD COTTON MILL CONSUMPTION AND STOCKS

World mill consumption of cotton of all growths was 12,987,000 running bales for the six months ended January 31, 1928, an increase of 2 per cent over consumption during the same period last season, but a decrease of 1 per cent from the consumption for the preceding six months, according to a cable received by the Foreign Service of the Bureau of Agricultural Economics from the International Federation of Master Cotton Spinners' and Manufacturers' Associations, Manchester, England. World mill consumption of American cotton amounted to 8,226,000 running bales for the half-year ended January 31, 1928 compared with 7,423,000 bales for the same period last season, an increase of 11 per cent, but there was a decrease of 2 per cent from the consumption of 8,357,000 bales for the six months ended July 31, 1927. There were decreases in consumption of Indian cotton and other growths as compared with the same period a year ago, Egyptian being about the same. As compared with consumption for the half-year ended July 31, 1927, there was an increase in other growths and a decrease in Egyptian and Indian.

World mill stocks of all growths were 4,882,000 running bales on January 31, 1928, or 3 per cent greater than a year ago, and 9 per cent lower than six months ago. World mill stocks of American cotton amounted to 2,867,000 running bales compared with 2,982,000 bales on January 31, 1927, and 3,020,000 bales on July 31, 1927. Stocks of Indian, Egyptian and other growths were larger than on the same date last year, and compared with stocks on July 31, 1927, stocks of Indian and Egyptian were smaller and other growths larger.

German cotton mill consumption and stocks

German mill consumption of cotton of all kinds amounted to 825,000 running bales for the six months ended January 31, 1928, a record for any half-year period since the war, according to a cable from Acting Agricultural Commissioner L. V. Steere at Berlin. Consumption for the same period last year amounted to 702,000 running bales and for the six months ended July 31, 1927, 776,000 bales. Most of the increase was in consumption of American cotton, which reached 677,000 bales compared with 565,000 bales for the same period last year, and 649,000 bales for the six months ended July 31, 1927.

Stocks of cotton of all kinds in German mills were 238,000 running bales on January 31, 1928 compared with 209,000 bales on the same date last year, and 273,000 bales on July 31, 1927. Stocks of American were slightly higher than a year ago, but lower than six months ago.

COTTON: World Mill Consumption
(Running bales)

Half-year ended	American	Indian	Egyptian	Sundries	Total
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
January 31 -					
1928	8,226	2,303	489	1,969	12,987
1927	7,423	2,818	487	2,001	12,729
1926	6,974	2,785	444	2,135	12,338
July 31 -					
1927	8,357	2,378	518	1,899	13,152
1926	6,756	2,787	477	2,323	12,343

COTTON: World Mill Stocks
(Running bales)

Half-year ended	American	Indian	Egyptian	Sundries	Total
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
January 31 -					
1928	2,867	969	183	863	4,882
1927	2,982	829	173	771	4,755
1926	2,862	915	200	671	4,648
July 31 -					
1927	3,020	1,515	220	585	5,340
1926	1,969	1,589	201	739	4,498

COTTON: German Mill Consumption
(Running bales)

Half-year ended	American	Indian	Egyptian	Sundries	Total
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
January 31 -					
1928	677	95	34	18	825
1927	565	94	31	12	702
1926	479	132	24	12	647
July 31 -					
1927	649	78	36	13	776
1926	405	72	19	5	501

COTTON: German Mill Stocks
(Running bales)

Half-year ended	American	Indian	Egyptian	Sundries	Total
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
January 31 -					
1928	186	31	15	6	238
1927	178	18	10	3	209
1926	142	30	9	4	185
July 31 -					
1927	220	31	16	6	273
1926	100	26	7	2	135

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-23

April 10, 1928

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe

Developments during February and March have not materially changed the outlook for maintenance of operations at a relatively high level for some time further in the Continental cotton textile industry, according to reports a/ from Acting Agricultural Commissioner Steere at Berlin to the Foreign Service of the Bureau of Agricultural Economics. Individual mills here and there have shortened working hours to a small extent, but the general level of operations is being well maintained and new business, at least for spinners, seems to be sufficient for the majority of plants to maintain a fairly good margin of unfilled orders. Weaving mills report less satisfactory sales, but appear to have considerable business still on the books and some prospect of improved sales if weather and raw material price developments are favorable during the spring months.

Germany

The outlook for a continued satisfactory level of operations in the German textile industry has not been much altered by developments during February and March, even though some mills in both the spinning and weaving branches are reported to have introduced short time. Spinning and weaving mill activity remains generally high and the spinning branch again reports a fairly satisfactory volume of new orders during the month. Weaving mill business left something to be desired, but both branches of the industry are supplied with unfilled orders extending well into May and the industry seems to be somewhat more optimistic as to the outlook than was the case a month ago. This feeling is due to more confidence in the current level of raw material prices as well as to continued fairly satisfactory inflow of orders. Evidence that stocks of goods have not become excessive is also an encouragement, some members of the trade believing that favorable spring weather will uncover a good volume of buying.

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a/ Based on written report dated March 19 and brought up to date by cables of March 29 and 30.

Some indices of activity in the cotton industry, as for example employment, point to a recent downward tendency, but figures on actual output of goods and consumption of raw cotton indicate that the general level has as yet suffered no significant decline. The Textile Workers' Union has published figures indicating a fall in full time employment in the cotton industry from 96.9 per cent in October to 90.6 per cent in January, a decline which seems due mainly to the introduction of short time in some districts, chiefly in Rhenish-Westfalia and southern Germany. Spinners in the former region report shorter hours, but avoidance of dismissals, and it appears that short time has been introduced chiefly in branches of the industry other than spinning. The per cent of Union members fully employed in January this year was 90.6 against 93.4 in December and 83.6 in January 1927. Individual mills in both southern Germant and Rhenish Westfalia have been complaining for some time, but short time operations appear to have had only a slight affect upon the output of spinning mills. Figures on yarn production in the cotton industry as a whole are as follows:

COTTON YARN: German production by months, 1925-26 to 1927-28

Month	1925-26	1926-27	1927-28
	Million pounds	Million pounds	Million pounds
August	54.5	41.9	63.3
September	59.5	43.7	65.0
October	61.7	45.9	61.7
November	54.9	47.6	65.0
December	58.2	52.0	61.7
January	49.6	50.7	b/ 61.7 to 63.9
February	44.3	49.6	
March	44.1	60.0	
April	32.0	54.7	
May	29.8	57.1	
June	33.1	51.6	
July	36.4	60.8	

b/ Preliminary.

Considering the fact that February is usually an uncertain month for the cotton textile industry, because of the effect of weather conditions upon buying of goods for spring, and also because of the uncertainty of the outlook for the new crop, the developments of the past month seem reasonably favorable on the whole. Spinners appear fairly well satisfied with the month's sales, although individual plants complain. Business seems to have been poorest with Rhenish-Westfalian spinners, active sales being reported only for a few days of the month, while some spinners in this section indicate that they have been producing for stock to a certain extent. Many spinning mills, as well as weaving mills, are also accepting orders for comparatively near delivery, although both branches, generally speaking, are reported supplied with business well into the months

of May. Less satisfactory business by weaving mills in the past month is reported due to a lack of supplementary orders for winter articles and too cautious buying for spring. The opinion is expressed that favorable spring weather will bring out a good volume of business for weaving mills, a development which would naturally extend to spinners. Textile retailers and the clothing industry, although stating that payments have become very slow in the past few months, indicate that there has been some recent improvement. Business in textiles at the Leipzig Fair was reported medium but satisfactory. Reliable sources also express the opinion that wholesalers will buy more freely as soon as they gain more confidence in prices.

The consensus of opinion in the trade is also somewhat more optimistic than a month ago as to the situation of both raw cotton and cotton goods stocks. Total German mill stocks of cotton at the end of January are now known to have been only 237,000 bales as compared with 209,000 a year ago. The increase is insignificant considering current levels of consumption. The situation with respect to port stocks is even more satisfactory, Bremen statistics showing only 530,000 bales on March 17, 1928 as compared with 629,000 a year ago and 249,000 two years ago, when stocks were very low. The stock situation at Bremen has improved considerably during the past two months and a half, as end of the year figures showed 609,000 bales as compared with 533,000 at the end of 1926 and 370,000 at the end of 1925.

Reliable information from the manufacturing branch of the industry indicates that there is as yet no reason for apprehension as to stocks of cotton products in Germany. Stocks of both yarn and fabrics are reported as "not excessive". On the other hand, recent reports of the German Institut fur Konjunkturforschung (Institute for Business Research) pointing out the general increase in goods stocks, indicate that there is no reason for further expansion, scarcity of capital and high interest rates being important factors in the situation. The soundness of this conclusion seems to be borne out by the more cautious character of cotton goods buying in recent months. Considering the fact that textile production during 1927 has exceeded consumption and that there is little incentive to further increase of stocks, the probability of an eventual reduction in production is apparent.

German spinner buying of raw cotton was comparativelu active during February, according to Bremen market reports, doubtless in reflection of the continued flow of yarn orders to the mills. Fairly good Austrian, Czechoslovakian and Polish purchases were also reported from Bremen during February. A generally quieter tendency prevailed, however, during the beginning of March with a revival in German spinners buying, chiefly for near deliveries, during the week ended March 24. Buying for import by Bremen dealers during February was on a somewhat smaller scale than spinner business, as quotations ruling on a re-sales to the industry were below parity with American prices. Import buying also continued quiet during the first half of March, but improved during the week ended March 24.
See tables on page 9.

German trade statistics continued to indicate relatively heavy importation of both cotton yarn and fabrics through January but it is thought that subsequent figures may be lower as a result of the action of German manufacturers in reducing prices at the close of the year. Reports during the past two months have indicated less foreign competition since this reduction occurred, but it is said that competition is still keen in some lines. See table on page 9.

Czechoslovakia

February developments in the Czechoslovakian cotton industry seem to insure the continuance of satisfactory mill activity for some months further ahead. February is normally a quiet month, but sales appear to have been satisfactory, or at least up to expectation, and unfilled orders now extend into May.

Reports on Czechoslovakian spinning mill activity during February are not yet available, but it seems probable that activity was maintained near the level of the three previous months, November to January, during which operations were held steadily at about 110 per cent of single shift capacity. Czechoslovakian spinners appear fairly optimistic about the outlook.

CZECHOSLOVAKIA: Activity of fine cotton spinning mills, by months, August 1926 to January 1928

Year and month	Basis spindle hours	Basis active spindles	Activity of active spindles
	Per cent	Per cent	Per cent
1926-			
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.90
November	90.40	86.40	104.60
December	96.50	87.40	110.40
1927-			
January	98.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	108.00	93.00	116.10
May	110.00	93.00	118.30
June	110.00	93.50	117.60
July	102.80	93.00	110.50
August	107.20	94.20	113.80
September	114.90	95.00	121.00
October	113.50	95.20	119.50
November	110.60	95.60	115.70
December	110.60	95.60	115.70
1928-			
January	110.00	95.50	115.20

Austria

Little reliable information is available as to recent developments in the Austrian cotton industry, but there is no reason to believe that February brought any significant change.

The Austrian Institut fur Konjunkturforschung (Institute for Business Research) has recently issued an index of Austrian cotton yarn production, the figures for January 1924 to January 1928 being as follows:

AUSTRIA: Index numbers of cotton yarn production

Month	1924	1925	1926	1927	1928
	Per cent	Per cent	Per cent	Per cent	Per cent
January	70.0	76.6	81.4	75.3	83.3
February ...	70.0	90.1	84.6	78.9	
March	73.6	75.3	79.2	81.5	
April	71.5	74.5	75.4	85.5	
May	67.1	70.0	66.9	84.5	
June	64.1	75.5	61.5	82.2	
July	66.3	78.5	72.1	87.2	
August	57.3	76.3	57.0	90.4	
September ..	68.0	78.9	60.1	85.2	
October	70.0	82.5	64.8	84.7	
November ...	69.1	91.3	75.9	82.6	
December ...	78.2	86.8	75.3	82.4	

These indices are expressed in per cent of so-called "full capacity", which probably means prewar single-shift capacity. Inasmuch as the prewar working day was 25 per cent longer than the present, 25 per cent added to the above figures would about give present activity in terms of present single shift capacity.

Austrian yarn exports to Germany, as shown by figures on German imports from Austria, continue to fall off steadily, a development which is very unfavorable for the Austrian outlook. For example, in January this year Germany imported only 163,000 pounds of certain Austrian yarn as compared with 223,000 in December 1927, 243,000 in January 1927, and 664,000 in January 1926. In the long run this movement seems likely to be only partially offset by the currently increased exports to eastern countries, according to Acting Agricultural Commissioner Steere.

France

Reports from France dated March 10 indicate recent fairly active business in cotton fabrics, particularly at Epinal and Mulhouse, with the result that manufacturers at these two centers have booked considerable orders, states Mr. Steere. On the other hand, the Rouen district, which

has been enjoying rather active business, has recently felt some slackening in sales. Generally speaking, the French cotton industry seems to be operating at a not unsatisfactory level, and the improving tendency of recent months appears to be continuing.

Italy

Reports from Italy indicate some further slight improvement in the demand for cotton goods during February, and in general, a continuation of the tendency toward improvement in both the spinning and weaving branches of the cotton textile industry, according to Mr. Steere. Publication of the International figures confirms trade reports of a month ago that cotton mill stocks of raw cotton in Italy were equivalent to about two months' normal requirements, which is considered to be a moderate amount.

Hungary

Full capacity activity is again reported from Hungary during February. Yarn sales during the month were only moderate, but on the whole satisfactory, and unfilled orders are sufficient to insure operations for some time to come. Weaving mills reported improved sales.

Recently issued statistics give the following figures on Hungarian cotton textile production in 1927 and 1926.

HUNGARY: Cotton textile production, 1926 and 1927

Class	1926	1927
Cotton yarn, million pounds	9.9	11.0
Cotton fabric, grey, million yards	17.5	21.9
Cotton fabric, bleached, million yards	27.3	35.5
Cotton fabric, colored, million yards	6.6	7.1
Cotton fabric, printed, million yards	32.8	33.9

Belgium

Spinning activity in Belgian mills remained normal during February, but mill stocks of yarn increased owing to unsatisfactory domestic and export sales, according to Vice Consul Sherman at Ghent, Activity was restricted in some weaving mills because of increased stocks. Nevertheless, demand for American cotton improved during the month. Mill stocks of cotton and stocks held by merchants are reported to be low.

Cotton Textile Situation in Other Foreign Countries

Great Britain

Great Britain

The American section of the British cotton industry still remains in a depressed condition. Attempts of mill owners and employees to reach an agreement concerning wages has been so far unsuccessful, according to Assistant Trade Commissioner Isaacs at London. The disagreement concerns 400 mills spinning American cotton and 150,000 employees.

There are a few signs of improvement but none which indicate any sudden increase in activity. Some recent improvement in demand for English piece goods is reported for India and goods are moving into the interior in China in larger quantities than for some time past.

Consumption of cotton of all kinds in Great Britain during the half year ended January 31, 1928 amounted to 1,521,000 running bales compared with 1,416,000 bales for the same period last season and 1,594,000 bales for the half year ended July 31, 1927. American cotton consumed amounted to 1,027,000 running bales compared with 940,000 bales and 1,137,000 bales respectively, for the above mentioned periods. Mill stocks of all growths of cotton as well as American were lower on January 31, 1928 than on the same date last season or on July 31, 1927.

Exports of cotton piece goods which have continued since the war at almost half the prewar volume show no signs of substantial improvement. There was a slight improvement over last year in the exports for the first two months of this year when the exports totaled 653,606,000 square yards compared with 621,099,000 square yards for January and February of 1927 and 722,507,000 square yards for the same period in 1926. Exports to India, the largest importer of British piece goods, were slightly larger for January and February than during the same periods in 1926 and 1927, but there have been no signs of a return to prewar volume which was about twice the post-war volume. Exports to China, which amounted during 1927 to about one-seventh of the 1913 total, still continue to decline.

Exports of cotton yarn from the United Kingdom during January and February were about the same as during those months in 1927 and slightly less than during the same period in 1926. Exports to India and Russia have declined because of development of the spinning industry in those countries, but increases for some other countries have offset this decline.

There was little change during February in India in demand for English yarns, according to Assistant Trade Commissioner Cockburn at Bombay. A scant improvement in the market for local yarns reflected the restricted demand from up-country. An improvement was noted at the end of the month in the Bombay piece goods market as well as the up-country markets. A larger retail demand for English goods was also noted.

Spinners' takings of American cotton in Great Britain for this season up to March 31 were 1,343,928 running bales compared with 1,308,870 bales for the same period last season and 1,488,973 bales for the preceding season.

India

Stocks of cotton in hands of dealers, exporters and mills in Bombay on February 23 amounted to 762,000 running bales compared with 633,000 bales on the same date last year, according to Consul Keblinger at Bombay. According to trade reports of the beginning of March, stocks of cloth have accumulated owing to poor demand, and conditions in the Indian textile industry showed no signs of improvement.

Attempts at boycotting British goods as an expression of political opposition to Great Britain, are said to have created a measure of uncertainty in Indian commercial circles, but the volume of imports and exports continues above that of last year, according to a cable to the Department of Commerce from Trade Commissioner Spofford at Calcutta.

Consumption of cotton of all kinds in Indian mills during the first half of this season was 1,148,000 running bales or 9 per cent below the consumption for the same period last season and 14 per cent below the last half of last season. Consumption of American fell to 117,000 running bales from 290,000 bales for the last half of last season, which was the largest amount of American cotton consumed by Indian mills during any half year period.

Japan

Consumption of cotton of all kinds in Japan totaled 1,322,000 running bales for the half year ended January 31, 1928, a decrease of 8 per cent from the consumption for that period last season and a decrease of 6 per cent from the consumption for the preceding half year. This decline in consumption was the result of policy of restriction of output adopted by Japanese spinners. Consumption of American amounted to 572,000 running bales, an increase of 12 per cent over consumption for the same period last season and a decrease of 7 per cent from the consumption for the six months ended July 31, 1927.

COTTON: Bremen imports and exports, August 1, 1927 to March 17, 1928
(In running bales)

Kind	August 1 to March 17, 1928	August 1 to March 17, 1927
	Bales	Bales
Imports:		
American	1,536,981	2,054,558
Indian	9,784	7,077
Sundries	4,097	5,509
Total	1,550,862	2,067,144
Exports:		
American	1,559,492	1,555,390
Indian	5,468	6,121
Sundries	5,257	4,094
Total	1,570,217	1,565,605

COTTON. Stocks at Bremen on March 17, 1928 with comparisons
(In running bales)

Kind	March 17, 1928	August 1, 1927	March 17, 1927
	Bales	Bales	Bales
American	522,338	544,849	626,077
Indian	5,701	1,385	1,066
Sundries	1,547	2,707	2,305
Total	529,586	548,941	629,448

Compiled from Wochenbericht der Bremer Baumwollborse.

GERMANY: Imports of cotton yarn and woven materials

Month	Cotton yarn			Woven cotton materials		
	1926	1927	1928	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	5,772	6,931	13,252	3,333	1,594	5,959
February	5,154	8,400		2,846	2,943	
March	4,899	10,384		1,984	3,671	
April	4,140	13,488		1,351	3,995	
May	3,554	12,509		1,142	4,687	
June	4,638	13,294		1,142	4,824	
July	3,988	12,328		787	4,694	
August	3,962	14,240		787	4,277	
September	4,500	13,962		794	5,355	
October	4,599	13,514		1,380	5,719	
November	5,657	12,840		990	5,758	
December	5,617	12,879		1,063	5,373	

COTTON: Area and production in countries reporting for 1927-28, with comparisons

Item and country	Average 1909-10 to 1913-14	1925-26	1926-27	1927-28	Per cent 1927-28 is of 1926-27
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States	34,152	46,053	47,087	40,168	85.3
India	22,503	28,491	24,676	23,812	96.5
Egypt	1,743	1,998	1,854	1,574	84.9
Russia	1,569	1,614	1,731	1,989	114.9
Mexico	a/ 253	429	613	306	49.9
Chosen	146	485	529	502	94.9
Uganda	58	617	570	540	94.7
Anglo-Egyptian-Sudan	44	230	216	247	114.4
Bulgaria	--	8	7	13	185.7
Italy	9	9	9	10	111.1
Syria and Lebanon ..	--	79	77	76	98.7
Siam	b/ 12	12	8	8	100.0
Algeria	b/ 2	15	19	11	57.9
Yugoslavia	--	2	2	2	100.0
Total above countries	--	80,042	77,398	69,258	89.5
Est. world total, excl. China	62,500	83,400	80,900	---	---
PRODUCTION a/	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
United States	13,033	16,104	17,977	12,950	72.0
India	3,585	5,230	4,187	4,586	109.5
Egypt	1,453	1,629	1,586	1,252	78.9
Russia	905	737	755	909	120.4
Mexico	c/ 187	202	360	156	43.3
Peru	110	200	247	d/ 250	101.2
Chosen	20	125	145	143	98.6
Anglo-Egyptian-Sudan	14	110	130	126	96.9
Tanganyika	c/e/ 8	18	20	14	70.0
Bulgaria	1	2	2	4	200.0
Syria and Lebanon ..	--	13	7	9	128.6
Union of South Africa	f/	26	9	14	155.6
Siam	e/ 4	4	4	4	100.0
Algeria	b/ 1	6	9	4	44.4
Total above countries	--	24,406	25,438	20,421	80.3
Est. world total, incl. China	20,900	27,900	28,000	---	--

Official sources and International Institute of Agriculture, except as otherwise noted.

a/ Bales of 478 pounds net. b/ Average for 3 years. c/ Average for 4 years. d/ Unofficial estimate. e/ Exports. f/ Less than 500 bales.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-February, 1926-27 and 1927-28
(Bales of 500 pounds gross)

Country to which exported	July-February 1926-27	July-February 1927-28	February 1927	February 1928	February, 1928 Long staple	February, 1928 Short staple
LONG AND SHORT STAPLE:	Bales	Bales	Bales	Bales	Bales	Bales
Germany	2,162,974	1,635,446	264,443	145,199	11,012	134,187
United Kingdom	2,032,998	949,158	253,131	202,141	35,401	166,740
France	857,723	740,966	71,475	55,913	5,419	50,494
Italy	637,603	498,415	56,592	86,282	6,804	79,478
Spain	278,010	253,049	33,482	25,963	2,049	23,914
Soviet Russia in Europe	198,892	200,270	5,216	0	0	0
Belgium	193,181	155,243	26,509	19,080	1,685	17,395
Netherlands	116,196	105,470	13,891	16,871	1,357	15,514
Sweden	57,223	40,369	6,363	4,166	0	4,166
Other Europe	82,169	70,917	6,919	9,744	716	9,028
Total Europe	6,616,969	4,629,303	738,021	565,369	64,443	500,916
Canada	177,052	165,096	15,748	19,691	2,029	17,662
Japan	1,120,348	762,842	149,644	35,819	263	35,556
China	168,025	105,393	34,068	4,865	0	4,865
British India	140,457	49,053	62,281	25,735	0	25,735
Other countries	7,420	3,678	1,421	860	0	860
Total exports	8,230,271	5,715,365	1,001,183	652,329	66,735	585,594
Total imports a/	255,414	268,275	41,529	39,959		
Total reexports a/	13,008	13,884	1,950	2,231		
Net exports	7,987,865	5,460,974	961,604	614,601		
LINTERS:						
Germany	85,430	93,007	15,417	14,288		
United Kingdom	33,652	19,011	8,925	2,831		
France	14,052	21,017	2,832	2,839		
Other Europe	14,403	13,458	4,999	2,115		
Total Europe	147,537	146,493	32,173	22,073		
Canada	12,187	11,390	2,771	1,917		
Other countries	122	78	15	1		
Total exports	159,846	157,961	34,959	23,991		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-24

May 16, 1928

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe a/

March and April developments in the Continental cotton textile situation have not altered the outlook that raw cotton consumption over most of the Continent will continue on a relatively high level during the next few months, according to reports from Acting Agricultural Commissioner Steere at Berlin to the Foreign Service of the Bureau of Agricultural Economics. The slightly declining tendency of spinning and weaving mill activity, which has been evident in Central Europe for several months, has continued through April, but production is still on a high level and new business being booked is nearly sufficient to enable maintenance of current production levels in the majority of plants. March and early April reports from France indicate improvement both in sales and in mill operations, as a result, apparently, of some real picking up in the domestic market.

Textile trade reports indicate that the situation with regard to textile goods stocks is essentially sound in most European countries, as a result of more careful buying during the past six months. Retail trade continues steady, although weather conditions have been far from ideal in the past six weeks, and there is a disposition to look for a revival of retail buying when the spring sets in in earnest.

Cotton stocks at Continental ports are being rapidly reduced by sustained heavy mill operations and smaller shipments, port stocks on the Continent of all kinds of cotton on May 11 amounting to 897,000 running bales as compared with 1,092,000 bales the same date last year. Stocks of American cotton at Continental ports were 839,000 compared with 1,044,000 bales on the same date last year.

Germany

The outlook now seems somewhat less favorable for continued large consumption of raw cotton by the German textile industry during the next few months. The slowly declining tendency evident for some time, in both spinning and weaving activity, has continued through April, but operations have remained on a relatively high level. But unfilled orders have been declining and yarn buyers seem to have adopted a hand-to-mouth policy. Another unfavorable factor is a threatened lockout of 60,000 textile workers in Silesia.

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a/ Based on written report dated April 23 and brought up to date by cable dated May 3.

Generally speaking, the volume of unfilled orders in both spinning and weaving mills seems to have just about held its own during the past two months. Some improvement in new bookings during the early part of April, as a result of firmer raw cotton markets, has been of help in maintaining this position and seems even to have improved the position of some mills but orders declined during the last part of the month. It should be pointed out that spinning mills a year ago at this time were booked up for seven months ahead as compared with less than three months at present. The outlook for new business seems fairly favorable, when it is considered that textile wholesalers have been buying very carefully in recent months, as a result of which it is said that no unsound accumulation of stocks exists. Trade feeling seems to be that a revival of buying by retailers, which is expected if spring weather conditions are good, would be reflected immediately in improved demand all along the line. As it is, buying is generally of a hand-to-mouth character, with orders restricted largely to near delivery.

Competition from France, Czechoslovakia and Italy continues relatively strong, but has recently become less marked through the failure of German spinners to advance prices in correspondence with the rise in raw material prices. Spinners are complaining of unprofitable margins, but seem to be endeavoring to maintain production as fully as possible. Recent reports of price concessions by spinners and weavers point to some transactions at even smaller margins.

German spinner buying at Bremen, though quiet, is reported to have been satisfactory throughout March and the first half of April. Buying, however, was dull after the Easter holidays. Very little business has been done so far in new crop months. Bremen buying for import was comparatively quiet during this period, buyers being interested only in bargain offers. Bremen stocks continue to decline as usual at this time of the season, and have now reached a figure considerably below last year. The declining tendency of German imports of cotton yarn and fabrics continues, February imports of yarn being the lowest since March last year, and the imports of fabrics the smallest since August.

Czechoslovakia

While not much detailed information is available, all indications during March and early April pointed to little change in the relatively satisfactory situation in the Czechoslovakian cotton textile industry. However, sales have recently become more difficult and the volume of new business smaller, complaints are heard of the export business and some mills are reported to be reducing activity.

Spinning activity in February was at the rate of 109 per cent of single shift capacity as compared with 110 per cent in the preceding three months, and it seems probable that operations during March were not much different.

CZECHOSLOVAKIA: Activity of fine cotton spinning mills, by months, August 1926 to February 1928

Year and Month	Basis of spindle hours	Basis active spindles	Activity of active spindles
	Per cent	Per cent	Per cent
1926-			
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.90
November	90.40	86.40	104.50
December	96.50	87.40	110.40
1927-			
January	98.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	108.00	93.00	116.10
May	110.00	93.00	118.30
June	110.00	93.50	117.60
July	102.80	93.00	110.50
August	107.20	94.20	113.80
September	114.90	95.00	121.00
October	113.50	95.20	119.50
November	110.60	95.60	115.70
December	110.60	95.60	115.70
1928-			
January	110.00	95.50	115.20
February	109.00	94.90	114.90

Compiled by the Allegemeine Deutsche Textilverband.

Austria

While Austrian reports indicate a further reduction in cotton mill activity during March and April, it appears that new business booked was about on a level with sales during February. Smaller purchases by German buyers were largely offset by better business in Eastern Europe. Actual exports of yarn to Germany during February were larger than in the preceding four months, but, nevertheless, were far from satisfactory, especially when compared with shipments during the first eight months of 1927.

The general tendency of yarn production in Austria has now been slowly downward since September, the index of the Austrian Institute for Business Research for the month of February standing at 80.5 per cent of full capacity as compared with 83.3 in January and 90.4 in August, the latter being the high point in 1927. Austrian consumption of raw cotton is probably declining to a relatively greater extent than in any other Continental country, because of the peculiar sensitiveness of Austrian mills to international competitive conditions. Production is still high, however, and the outlook not yet actually unfavorable.

AUSTRIA: Cotton spinning mill activity
(Per cent of "Full Capacity" a/

Month	1924	1925	1926	1927	1928
	Per cent	Per cent	Per cent	Per cent	Per cent
January	70.0	76.6	81.4	75.3	83.3
February	70.0	90.1	84.6	78.9	80.5
March	73.6	75.3	79.2	81.5	
April	71.5	74.5	75.4	85.5	
May	67.1	70.0	66.9	84.5	
June	64.1	75.5	61.5	82.2	
July	66.3	78.5	72.1	87.2	
August	57.3	76.3	57.0	90.4	
September	68.0	78.9	60.1	85.2	
October	70.0	82.5	64.8	84.7	
November	69.1	91.3	75.9	82.6	
December	78.2	66.8	75.3	82.4	

Compiled by the Austrian Institute for Business Research.
a/ These indices are expressed in per cent of so-called "full capacity", which probably means pre-war single shift capacity. Inasmuch as the pre-war working day was 25 per cent longer than the present, 25 per cent added to the above figures would about give present activity in terms of present single shift capacity.

France

March and early April reports from France indicate some real improvement in business in the cotton textile industry as well as in the outlook, states Mr. Steere. Spinning and weaving mills are reported to have had satisfactory sales throughout March, and April reports indicate that many spinning mills and some weaving mills have increased the rate of activity. The general level of operations now appears to be not unsatisfactory, on the whole, although manufacturers still complain about margins.

French textile mills are making every effort to maintain and increase production. An important basic factor in the situation is said to be the scarcity of trained textile operatives, the introduction of short time or laying off of workers always being attended by the danger that they will go into some other branch of industry. Skilled new workers are difficult to obtain as industrial unemployment in France is comparatively small.

Of great importance for the French cotton textile industry is also a recent improving tendency of domestic demand for textiles. French mills are normally able to sell about three-fourths of their production in the domestic market and 85 to 90 per cent in France and her colonies. During the past year and a half of dullness in the home market, French mills have had to find a foreign outlet for a much greater share of their production at prices often not satisfactory, especially in recent months. With the domestic market improving, the outlook for the French textile industry becomes distinctly more hopeful.

Italy

Available information indicates no important change during March and April in the gradually improving Italian textile situation.

Holland

Middle of April reports from Holland indicate that the cotton textile industry is continuing to operate at full capacity. Domestic market demand is at present rather quiet, but the volume of incoming business and orders on hand are adequate to insure occupation for some time to come. Current margins are not entirely satisfactory, but spinners seem satisfied to accept them rather than to attempt raising quotations under present competitive conditions. There is no immediate prospect of short time operations, and Dutch mills have not had to resort to producing for stock, as is reported to be the case in some Belgian mills.

Hungary

Hungarian spinning and weaving mills remain very well engaged, although sales during March and early April were quieter. Some revival has been reported, however, and it is expected that seasonal improvement in business will soon absorb some stocks of fabrics which accumulated in March. The outlook remains very good.

Cotton Textile Situation in Other Foreign Countries

Great Britain

The conference between Lancashire cotton employers and operatives held on April 30 again broke down on the question of hours and wages, according to a cable received from the American Agricultural Commissioner in London. This is the third recent unsuccessful conference on the reduction of wages and increase of hours proposed by the Lancashire employers. Operatives represented in the conference number about 500,000. No further meeting has been arranged. More recent press reports state that the general committee of the Federation of Master Cotton Spinners' Associations in the Lancashire district have decided to take a ballot of members of the associations on the proposal of giving notice to operatives of a reduction in wages.

Various schemes have been proposed recently for restoring the British cotton industry, especially the American section, to its former activity, according to press reports. The Cotton Yarn Association proposed at a meeting of spinners on March 27 an amalgamation of the American spinners in a holding company to be known and operated under the title of the Lancashire Textile Corporation, Limited. The scheme would be similar to the cartel scheme and would have for its purpose combined buying, selling, organized production and central control. The necessary financial reorganization with an exchange of company shares would force out the weak mills and leave the control with the larger and stronger mills.

During March there was little change on the whole in employment in the cotton industry, according to the Ministry of Labor Gazette. In the spinning department there was a slight improvement in the section spinning American cotton. On the other hand, there was a decline in the weaving department at some centers.

Demand for both the cotton yarn and piece goods ramained rather dull up to the middle of April, according to trade reports. Orders from India and China continued to come in slowly with small prospects for improvement. The decision of the Marwari Chamber of Commerce to place an embargo on light white cotton goods for June and July, an extension of the restriction in force for March to May shipments, was a disappointment to the Manchester market. Cabled advices from Trade Commissioner Spofford at Calcutta to the Department of Commerce indicated that the piece goods trade was slightly more active during the latter part of April but that forward business with Manchester at prevailing rates was difficult.

March exports of cotton yarn were nearly 4,000,000 pounds less than during the same month last year. Decreases in amounts shipped to Holland, Germany and India account for most of the decline. Exports of piece goods were 3,400,000 yards above March 1927 but 5,900,000 yards below March 1926. The total for India was 179,000,000 square yards compared with 181,000,000 square yards in March 1927 and 155,000,000 square yards in 1926.

China

Chinese mills were employed at full capacity up to the middle of April and yarn stocks were below normal, according to a cable from Agricultural Commissioner Nyhus at Shanghai. Deliveries of yarn have been especially good during recent past months but the market was reported to be quiet during the middle of April. Prices were not so favorable to manufacturers as during March. There was considerable buying of Indian cotton as supplies of Chinese cotton were short and prices relatively high.

Increases are in prospect in the valuation for duty purposes of raw cotton and cotton yarn imported into China, states Mr. Nyhus. The proposed increases would be relatively larger for raw cotton than for yarn and would thus work to the disadvantage of importers and spinners of foreign cotton and would favor the importation of cotton yarn. The Chinese import duty of 5 per cent is based on fixed valuations, many of which are greatly out of line with the current price level. A Re-valuation Commission is now at work at Peking revising the valuations. According to Mr. Nyhus the Commission proposes to increase the valuation of raw cotton by about 112 per cent while the new tentative valuation for yarn represents an increase of only 14 per cent. It is this disproportionate increase as between raw cotton and yarn, rather than the actual increase in raw cotton itself, that threatens the spinning industry of China and with it the importation of Indian and American cotton. The adoption of revised valuations is complicated by the disturbed political conditions in China but the proposed valuations are significant in view of the fact that the Re-valuation Commission is functioning under international arrangements.

GERMANY: Imports of cotton yarn and woven materials

Month	Cotton yarn 1926	Cotton yarn 1927	Cotton yarn 1928	Woven cotton materials 1926	Woven cotton materials 1927	Woven cotton materials 1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	5,772	6,931	13,252	3,333	1,594	5,959
February	5,154	8,400	11,409	2,846	2,943	4,363
March	4,899	10,384		1,984	3,671	
April	4,140	13,488		1,351	3,995	
May	3,554	12,509		1,142	4,687	
June	4,638	13,294		1,142	4,824	
July	3,988	12,328		787	4,694	
August	3,962	14,240		787	4,277	
September	4,500	13,962		794	5,355	
October	4,599	13,514		1,380	5,719	
November	5,657	12,840		990	5,758	
December	5,617	12,879		1,063	5,373	

Official Foreign Trade Statistics.

COTTON: Yarn and cloth prices on the Stuttgart Industrial and Commercial Exchange
(Cents per pound for yarn and per yard for cloth)

Item	1927 Oct. 19	1927 Nov. 2	1927 Nov. 16	1927 Dec. 7	1927 Dec. 21	1928 Jan. 11	1928 Feb. 1	1928 Feb. 15	1928 Mar. 7	1928 Mar. 21	1928 Apr. 4	1928 Apr. 18
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Cotton Yarn												
20	35	34	34	34	33	33	31	32	32	32	32	33
30	41	40	40	39	38	38	37	37	37	38	38	38
36	42	41	41	40	39	39	38	38	38	39	39	39
42	43	43	42	42	40	40	39	39	39	40	40	40
Cretonnes 88 cm.	13	13	13	13	12	12	12	12	12	12	12	12
Renforces 88 cm.	12	12	11	11	11	11	10	10	10	11	11	11
Kattune) Creises) 92 cm.	10	10	10	10	9	9	9	9	9	9	9	9

Compiled from Textile Zeitung.

COTTON: Area and production in countries reporting for 1927-28, with comparisons

Item and Country	Average 1909-10 to 1913-14	1925-26	1926-27	1927-28	Per cent 1927-28 is of 1926-27
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States	34,152	46,053	47,087	40,168	85.3
India	22,503	28,491	24,676	23,812	96.5
Egypt	1,743	1,998	1,854	1,574	84.9
Russia	1,569	1,614	1,731	1,984	114.6
Mexico	253	429	613	306	49.9
Chosen	146	485	529	502	94.9
Uganda	58	617	570	540	94.7
Anglo-Egyptian Sudan	44	230	216	247	114.4
Bulgaria	---	8	7	13	185.7
Italy	9	9	9	10	111.1
Syria and Lebanon	---	79	77	76	98.7
Siam	a/ 12	12	8	8	100.0
Algeria	a/ 2	15	19	11	57.9
Yugoslavia	---	2	2	2	100.0
Cyprus	---	11	12	12	100.0
Argentina	5	277	177	210	118.6
Union of South Africa	b/	81	62	55	88.7
Total above countries	---	80,411	77,649	69,530	89.5
Est. world total excl. China	62,500	83,400	80,900	c/72,500	89.6
PRODUCTION d/	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
United States	13,033	16,104	17,977	12,950	72.0
India	3,585	5,230	4,187	4,586	109.5
Egypt	1,453	1,629	1,586	1,252	78.9
China e/	---	2,114	1,584	2,000	126.3
Russia	905	737	755	983	130.2
Mexico	f/ 187	202	360	156	43.3
Peru	110	200	247	g/ 250	101.2
Chosen	20	125	145	135	93.1
Anglo-Egyptian Sudan	14	110	130	126	96.9
Tanganyika	f/h/ 8	18	20	14	70.0
Bulgaria	1	2	2	4	200.0
Syria and Lebanon	---	13	8	11	137.5
Union of South Africa	i/	26	9	14	155.6
Siam	h/ 4	4	4	4	100.0
Algeria	a/ 1	6	9	4	44.4
Cyprus	2	3	4	2	50.0
Total above countries	---	26,523	27,027	22,491	83.2
Est. world total incl. China	20,900	27,900	28,000	c/23,600	84.3

Official sources and International Institute of Agriculture except as otherwise stated.

a/ Average for 3 years. b/ Less than 500 acres. c/ In making up the world total, estimates were made for countries not reporting on the basis of reports received concerning conditions and prospects of the cotton crops of those countries.
d/ Bales of 478 pounds net. e/ Estimates of the Chinese Mill Owners' Association, except the estimate of 1927-28, which is from the Trade Commissioner at Shanghai.
f/ Average for 4 years. g/ From an unofficial source. h/ Exports. i/ Less than 500 bales.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-March, 1926-27 and 1927-28
(Bales of 500 pounds gross)

Country to which exported	July-March		March		March, 1928	
	1926-27	1927-28	1927	1928	Long staple	Short staple
	Bales	Bales	Bales	Bales	Bales	Bales
LONG AND SHORT STAPLE:						
Germany	2,392,671	1,769,983	229,697	134,537	17,071	117,466
United Kingdom	2,272,116	1,123,061	239,118	173,902	24,575	149,327
France	939,379	801,618	31,657	60,675	11,073	49,602
Italy	699,100	541,292	61,497	42,877	3,012	39,865
Spain	306,427	260,866	28,417	27,817	4,564	23,253
Soviet Russia in Europe	255,652	247,266	56,760	46,996	46,996	0
Belgium	224,760	172,599	31,579	17,356	1,986	15,370
Netherlands	128,248	115,619	12,053	10,149	874	9,275
Sweden	59,865	45,758	2,642	5,389	454	4,935
Other Europe	87,108	81,544	4,937	10,628	817	9,811
Total Europe	7,365,326	5,159,606	748,357	530,326	111,422	418,904
Canada	201,232	183,084	24,180	17,988	1,421	16,567
Japan	1,352,339	809,982	231,991	47,140	208	46,932
China	198,091	108,379	30,066	2,986	0	2,986
British India	209,629	71,893	69,172	22,840	0	22,840
Other countries	8,646	4,136	1,226	459	0	459
Total exports	9,335,263	6,337,080	1,104,992	621,739	113,051	508,688
Total imports a/	298,581	311,615	43,167	43,340		
Total reexports a/	15,564	15,509	2,556	1,625		
Net exports	9,052,246	6,040,974	1,064,381	580,024		
LINTERS						
Germany	116,408	105,181	30,978	12,174		
United Kingdom	41,863	19,261	8,211	249		
France	17,316	24,728	3,264	3,711		
Other Europe	19,314	16,761	4,910	3,303		
Total Europe	194,901	165,931	47,363	19,437		
Canada	15,881	13,007	3,694	1,617		
Other countries	128	86	7	8		
Total exports	210,910	179,024	51,064	21,062		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-25

June 2, 1928

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe a/

The general level of cotton textile mill operations in Continental Europe has remained relatively high during April and May and many mills have a satisfactory amount of orders on hand, according to reports received by the Bureau of Agricultural Economics from Acting Agricultural Commissioner Steere at Berlin. Some improvement is to be noted in France and Italy, while activity is slackening in Germany, Czechoslovakia and Austria.

In spite of generally pessimistic reports from Northern and Central European spinners and weavers on the current development of sales and activity prospects, curtailment in the Continental cotton industry as a whole has been slow. However, expectations of a revival of buying for spring trade entertained a month or so ago, especially by German and neighboring manufacturers, have been shattered by unfavorable weather during much of April and May, which has reduced sales and resulted in some curtailment. Reports from the textile trade continue to indicate a favorable situation with regard to textile goods stocks in the hands of wholesalers and retailers. This applies to northern and central Europe, as well as France and Italy.

Stocks of all cotton at Continental ports on May 25 amounted to 844,000 bales as compared with 1,094,000 on the same date last year. Continental takings of American cotton are now running considerably below last year at this time, but in recent weeks have been tending to rise. Takings from the middle of April to the middle of May amounted to 420,000 bales as compared with 401,000 in the preceding four-weeks'period, and 386,000 in the four weeks ending the middle of March. Last year, when the price of cotton was considerably lower, the corresponding figures were 524,000, 463,000 and 539,000 bales.

Germany

While the German cotton textile industry has continued to operate on a generally high level during April and May, there has been a further decline in incoming orders and unfilled orders, and some reduction in spinning and weaving mill activity. It seems probable, in view of the less satisfactory development of orders, that curtailment of production will continue in the immediate future, although probably not at a rapid rate. Consumption of raw cotton will probably remain relatively large for the immediate future.

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a/ Based on written report dated May 17 and brought up to date by cable dated May 26.

Spinners and weavers at the present time are very pessimistic as to the outlook, a view based to some extent upon the failure of sales to improve with the coming of the spring months. Prolonged cold, disagreeable weather has apparently had a very unfavorable effect upon textile sales generally. Some spring articles are reported by the retail trade as having practically no sale, and the demand from the agricultural districts is also much restricted, with payments very slow. All of this has been reflected in slow sales and small orders for weaving mills, especially for gray goods, and as a result, reduced weaver inquiry for yarns. Manufacturers of colored fabrics, however, are still well occupied, some of them to full capacity. Spinners and weavers in the Rhineland are reported as finding themselves in a much weaker position than those in other parts of Germany, some spinners in this district being reported already working on stocks. Spinners' stocks of yarns in the Rhine district have not yet become large, but are said to be rising.

While reports indicate a noticeable quietness in the demand for the new season's goods, it continues to be stated that stocks in the hands of the wholesale and retail trade are very moderate. This being the case, it seems logical to expect a fairly well sustained inquiry by the trade the next few months. German mills are still encountering foreign competition on the domestic market, but there is now less complaint on this score, as present German prices compare favorably with quotations by foreign sellers. Figures on yarn production in the German cotton industry as a whole are as follows:

COTTON YARN: German production by months, 1925-26 to 1927-28

Month	1925-26	1926-27	1927-28
	Million pounds	Million pounds	Million pounds
August	54.5	41.9	63.3
September	59.5	43.7	65.0
October	61.7	45.9	61.7
November	54.9	47.6	65.0
December	58.2	52.0	61.7
January	49.6	50.7	)Average
February	44.3	49.6	) about
March	44.1	60.0	) 65
April	32.0	54.7	57.3
May	29.8	57.1	
June	33.1	51.6	
July	36.4	60.8	

The decrease in yarn production in April is attributed chiefly to holidays during that month.

German spinner buying at Bremen has been small during most of April and the first half of May, and import buying by Bremen dealers is also reported restricted, although the latter have shown considerable readiness to take up bargain shipment offers.

The declining tendency of Bremen stocks has continued during the past month as is usual at this time of the year, total stocks on May 12 amounting to 458,000 running bales as compared with 656,000 on May 14 last year and 199,000 on May 15, 1926. Imports into Bremen between August 1, 1927 and May 12, 1928 have amounted to only 1,790,000 running bales as compared with about 2,500,000 for the same period a year previous, but inasmuch as Bremen stocks have decreased by 91,000 bales during the above mentioned period this year, whereas they increased by 528,000 bales in the same period last year, it is apparent that the spinning mills in Austria, Czechoslovakia, Poland, Hungary and to some extent Holland, as well as Germany, who buy their cotton in the Bremen market, have continued to take cotton during the past nine and a half months, even at the higher prices, nearly as rapidly as in the same period a year ago. The Bremen export figures show an outward movement of 1,880,000 running bales between August 1, 1927 and May 12, 1928, as compared with 1,970,000 in the same period a year before, and 1,452,000 bales two years ago. The decrease in Bremen exports, with the current cotton season more than three-quarters past, is only 4½ per cent from last year's figures. The German official figures on raw cotton imports from August 1, 1927 to March 31, 1928 are 1,083,000 bales of 500 pounds gross as compared with 1,163,000 bales in the previous year, a decrease of only 7 per cent.

GERMANY: Imports of cotton yarn and woven materials

Month	Cotton yarn			Woven cotton materials		
	1926	1927	1928	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	5,772	6,931	13,252	3,333	1,594	5,959
February	5,154	12,809	11,409	2,846	2,943	4,363
March	4,899	10,384	10,657	1,984	3,671	4,403
April	4,140	13,488		1,351	3,995	
May	3,554	12,509		1,142	4,687	
June	4,638	13,294		1,142	4,824	
July	3,988	12,328		787	4,694	
August	3,962	14,240		787	4,277	
September	4,500	13,962		794	5,355	
October	4,599	13,514		1,380	5,719	
November	5,657	12,840		990	5,758	
December	5,617	12,879		1,063	5,373	

Compiled from official German Foreign Trade Statistics.

Czechoslovakia

April and May reports from Czechoslovakia indicate a further decline in new and unfilled orders in both spinning and weaving branches of the cotton industry, but the general level of mill activity remains high, with curtailment restricted as yet to individual mills. Spinning mill operations averaged

108 per cent of single shift capacity in March as compared with 109 in February and 110 in January. The outlook is now less satisfactory than a month or two ago, but it seems probable that manufacturing operations will continue to decline only slowly in the immediate future.

While some spinning mills are reported to have orders for only very short periods, the majority are still said to be well booked for two to three months ahead. Some weavers are reported working largely for stock and to have curtailed activity, but in other plants full time operations are still being maintained. Yarn prices are reported very unsatisfactory, especially in the section working on American yarn.

CZECHOSLOVAKIA: Activity of mills spinning fine cotton, by months, August 1926 to March 1928

Year and Month	Basis spindle hours	Basis active spindles	Activity of active spindles
	Per cent	Per cent	Per cent
1926			
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.10
November	90.40	86.40	104.50
December	96.50	87.40	110.40
1927			
January	98.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	108.00	93.00	116.10
May	110.00	93.00	118.30
June	110.00	93.50	117.60
July	102.00	93.00	110.50
August	107.20	94.20	113.00
September	114.90	95.00	121.00
October	113.50	95.20	119.50
November	110.60	95.60	115.70
December	110.60	95.60	115.70
1928			
January	110.00	95.50	115.20
February	109.00	94.90	114.80
March	108.00	94.40	114.40

Compiled by the Allgemeine Deutsche Textilverband.

Austria

Private April reports on the Austrian cotton textile situation state that the declining tendency of unfilled orders and mill activity evidenced in recent months has continued, although the booking of new business during April was fairly well maintained. Considering the tendency of Austrian sales and the less satisfactory development of Austrian exports, particularly to Germany, as well as the general tendency in the cotton industry in neighboring countries, it is probable that a further decline in Austrian mill activity will occur in the immediate future, although the outlook is not as distinctly unsatisfactory as some reports have indicated.

The April report of the Austrian Spinners' Association, while evidencing decided pessimism as to the outlook, indicated that the spinning industry was then booked for nearly three and a half months ahead, and weavers from four to six weeks in staple goods and two to three months in fancy and colored goods.

AUSTRIA: Cotton spinning mill activity
(In per cent of "Full Capacity" a/)

Month	1924	1925	1926	1927	1928
	Per cent	Per cent	Per cent	Per cent	Per cent
January	70.0	76.6	81.4	75.3	83.3
February	70.0	80.1	84.6	78.9	80.5
March	73.6	75.3	79.2	81.5	
April	71.5	74.5	75.4	85.5	
May	67.1	70.0	66.9	84.5	
June	64.1	75.5	61.5	82.2	
July	86.3	78.5	72.1	87.2	
August	57.3	76.3	57.0	90.4	
September	68.0	78.9	60.1	85.2	
October	70.0	82.5	64.8	84.7	
November	69.1	91.3	75.9	82.6	
December	78.2	66.8	75.3	82.4	

Compiled by the Austrian Institute for Business Research.
a/ These indices are expressed in per cent of so-called "full capacity", which probably means pre-war single shift capacity. Inasmuch as the pre-war working day was 25 per cent longer than the present, 25 per cent added to the above figures would about give present activity in terms of present single shift capacity.

France

Reports on the French cotton textile industry have continued encouraging during April and the first half of May. Spinning mills in nearly all the important sections of the industry have recently made satisfactory sales, and some of them are reported booked up solid for more than three months ahead. Mill stocks of yarn are said to be insignificant. As a result there has been some increase in mill activity. The weaving section of the industry is in a less satisfactory position, but improvement was also registered there during the past month.

With general economic conditions giving increasing evidence of revival, and with domestic consumer demand for cotton goods improving, the outlook for the French cotton textile industry is now distinctly more hopeful than some time ago. French raw cotton requirements for the next few months will doubtless compare very favorably with last year's takings.

Italy

Reports from Italy point to the maintenance and probable further slight improvement of sales and activity in cotton spinning plants. As the April report of the Italian Cotton Spinners' Association states that the general level of spinning mill activity at the end of March was about 90 per cent of single shift capacity as compared with 87.5 per cent in January, the present situation is now satisfactory from the standpoint of raw cotton consumption. With weaving mill activity and sales being well maintained and even improving, the outlook now seems hopeful, in spite of the fact that spinners and weavers report practically no profit at present prices of yarns and fabrics. Spinning and weaving mills are both managing to keep a fairly steady margin of 2 months' orders on the books.

Belgium

The April report of the Belgian Spinners' Association states that at the first of the month cotton spinning mills were operating more or less at full capacity, with orders on hand covering three months on the average. Prices being obtained on orders, however, were not satisfactory. The weaving industry was also indicated to be well occupied and also supplied with orders for some time ahead. A distinct revival of yarn sales was reported for the first half of May.

Hungary

The Hungarian textile industry is finding business less satisfactory in recent weeks, although the outlook for the industry remains good. Spinning and weaving mills were well occupied throughout April and into early May, but sales were generally slow. Uncertainty of the market has resulted in considerable hand-to-mouth buying and prices are also said to be rather unsatisfactory to manufacturers as a consequence of foreign competition.

Cotton Textile Situation in Other Foreign Countries

Great Britain

An attempt by the Federation of Master Cotton Spinners to obtain power to reduce wages in the British cotton spinning industry failed when a ballot was taken on May 21, according to a cable received from the American Agricultural Commissioner in London. This ballot followed three unsuccessful attempts of the owners and operatives in the Lancashire spinning industry to reach an agreement on wages and hours. The question put to the members in the ballot was: "Are you willing to leave the question of a reduction in wages to be dealt with by the Federation Committee, and, if necessary, to close your mills to enforce the demand?" The General Committee of the Federation had previously accepted a recommendation in favor of seeking a reduction. The ballot was taken for both the American and Egyptian sections and the 80 per cent majority necessary under the Federation's rules was not obtained.

Demand for British cotton yarn was very weak up to the middle of May and demand for cotton piece goods was very little better, according to trade reports. The political situation between Japan and China has disturbed trade conditions and demand for piece goods has been diminished. Orders from India were small and there were no large orders from any other foreign markets.

Exports of cotton yarn from Great Britain during April amounted to 13,752,800 pounds compared with 17,327,000 pounds for April, 1927 and 14,436,400 pounds for April 1926. The largest decreases are for Holland, Germany and India. Piece goods exports were about the same as in April 1927 and considerably larger than in April 1926.

COTTON: Area and production in countries reporting for 1927-28, with comparisons

Item and Country		Average 1909-10 to 1913-14	1925-26	1926-27		1927-28	Per cent 1927-28 is of 1926-27
AREA		1,000 acres	1,000 acres	1,000 acres		1,000 acres	Per cent
United States		34,152	46,053	47,087		40,138	85.2
India		22,503	28,491	24,676		23,812	96.5
Egypt		1,743	1,998	1,854		1,574	84.9
Russia		1,569	1,614	1,731		1,984	114.6
Mexico		253	429	613		306	49.9
Chosen		146	485	529		502	94.9
Uganda		58	617	570		540	94.7
Anglo-Egyptian Sudan		44	230	216		247	114.4
Bulgaria		---	8	7		13	185.7
Italy		9	9	9		10	111.1
Syria and Lebanon		---	79	77		76	98.7
Siam	a/	12	12	8		8	100.0
Algeria	a/	2	15	19		11	57.9
Yugoslavia		---	2	2		2	100.0
Cyprus		---	11	12		12	100.0
Argentina		5	277	177		210	118.6
Union of South Africa	b/		81	62		55	88.7
Total above countries		---	80,411	77,649		69,500	89.5
Est. world total excl. China		62,500	83,400	80,900	c/	72,500	89.6
PRODUCTION d/		1,000 bales	1,000 bales	1,000 bales		1,000 bales	Per cent
United States		13,033	16,104	17,977		12,955	72.1
India		3,585	5,230	4,187		4,586	109.5
Egypt		1,453	1,629	1,586		1,252	78.9
China e/		---	2,114	1,584		2,000	126.3
Russia		905	737	755		983	130.2
Mexico	f/	187	202	360		156	43.3
Peru		110	200	247	g/	250	101.2
Chosen		20	125	145		135	93.1
Anglo-Egyptian Sudan		14	110	130		126	96.9
Tanganyika	f/h/	8	18	20		14	70.0
Bulgaria		1	2	2		4	200.0
Syria and Lebanon		--	13	8		11	137.5
Union of South Africa	i/		26	9		14	155.6
Siam	h/	4	4	4		4	100.0
Algeria	a/	1	6	9		4	44.4
Cyprus		2	3	4		2	50.0
Total above countries		---	26,523	27,027		22,496	83.2
Est. world total incl. China		20,900	27,900	28,000	c/	23,600	84.3

Official sources and International Institute of Agriculture except as otherwise stated. a/ Average for 3 years. b/ Less than 500 acres. c/ In making up the world total, estimates were made for countries not reporting on the basis of reports received concerning conditions and prospects of the cotton crops of those countries. d/ Bales of 478 pounds net. e/ Estimates of the Chinese Mill Owners' Association, except the estimate of 1927-28, which is from the Trade Commissioner at Shanghai. f/ Average of 4 years. g/ From an unofficial source. h/ Exports. i/ Less than 500 bales.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-April, 1926-27 and 1927-28
(Bales of 500 pounds gross)

Country to which exported	July-April 1926-27	July-April 1927-28	April 1927	April 1928	April, 1928 Long staple	April, 1928 Short staple
LONG AND SHORT STAPLE:	Bales	Bales	Bales	Bales	Bales	Bales
Germany	2,578,945	1,864,317	186,274	94,334	17,230	77,104
United Kingdom	2,441,333	1,254,766	169,217	131,705	35,500	96,205
France	995,232	830,923	55,853	29,305	5,387	23,918
Italy	754,279	594,464	55,179	53,171	4,715	48,456
Spain	323,688	273,923	17,261	13,057	2,643	10,414
Soviet Russia in Eur.	318,102	311,597	62,450	64,331	42,847	21,484
Belgium	252,524	184,890	27,764	12,291	947	11,344
Netherlands	137,874	123,682	9,626	8,063	1,296	6,767
Sweden	62,849	48,101	2,984	2,342	165	2,177
Other Europe	92,347	84,193	5,240	2,651	210	2,441
Total Europe	7,957,173	5,570,856	591,848	411,250	110,940	300,310
Canada	221,445	196,984	20,213	13,900	850	13,050
Japan	1,490,497	853,214	138,159	43,232	298	42,934
China	237,477	116,825	39,386	8,446	0	8,446
British India	257,410	83,009	47,781	11,116	333	10,783
Other countries	9,652	4,458	1,003	322	0	322
Total exports	10,173,654	6,825,346	838,390	488,266	112,421	375,845
Total imports a/	338,390	330,649	39,810	19,034		
Total reexports a/	17,307	16,956	1,743	1,446		
Net exports	9,852,571	6,511,653	800,323	470,678		
LINTERS:						
Germany	137,926	116,018	21,518	10,838		
United Kingdom	47,313	20,276	5,450	1,015		
France	18,865	28,508	1,549	3,780		
Other Europe	23,659	19,657	4,346	2,895		
Total Europe	227,763	184,459	32,863	18,528		
Canada	17,596	14,728	1,715	1,721		
Other countries	189	96	60	11		
Total exports	245,548	199,283	34,638	20,260		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

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UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON

F. S.
C - 26

July 5, 1928.

FOREIGN NEWS ON COTTON

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THE COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe [a]

Little change in the Continental cotton textile situation as a whole is indicated by May and June reports according to cabled and written information received by the Foreign Service of the Bureau of Agricultural Economics from Acting Agricultural Commissioner Steere at Berlin. Activity has continued to decline in both spinning and weaving establishments in Germany and Central Europe, but this has been offset to a certain extent by the development of some confidence that it may be possible before long to stabilize production not much below current levels. Reports from France and Italy also indicate some further slight improvement in the textile situation, and the outlook in these countries is now somewhat better than heretofore. Taking the Continent as a whole it is probable that cotton consumption will continue to decline during the months immediately ahead, but no sharp reduction is in prospect. Demand for raw cotton promises to remain at relatively good levels considering the present price of cotton.

Germany

Reports from German textile centers during May and June indicate some further decline in cotton mill activity and a continued small inflow of new orders both for spinners and weavers. There is also much complaint about unsatisfactory prices for yarn and fabrics. There is little doubt that manufacturers, especially around Chemnitz and in parts of southern Germany, are now finding business unsatisfactory, but it is also apparent that in spite of complaints, restriction of activity in the industry as a whole has not yet become marked and that consumption of raw cotton is still proceeding at a relatively rapid rate. There is, in fact, some reliable opinion that if economic conditions continue relatively good it should be possible for the cotton industry to stabilize production before long not far below present levels.

The current volume of cotton mill production is probably not far from the rate of consumption and in some branches of the industry it is probably less than consumption. At the same time reports have been indicating that textile stocks are not excessive. As the trade generally has been holding back orders for some time, it seems reasonable to expect that a resumption of buying can be anticipated when greater

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a/ Based on written report dated June 16, 1928, and brought up to date by cable dated June 29.

price stability is reached. The German Institute for Business Research has expressed the opinion that it should be possible for the textile industry to avoid a really sharp restriction in production, although some further recession is probable. The development of full time employment in the cotton industry as a whole (both spinning and weaving) has been as follows in recent months:

	Per cent of trade union members employed
1927	
First quarter	86.1
Second quarter	95.9
Third quarter	96.2
Fourth quarter	95.6
1928	
January	90.6
February	89.6
March	86.2
April	83.2

German spinner buying at Bremen continued quiet throughout May and June, and Bremen dealers are also reported to have made relatively small purchases for import during this period.

Bremen stocks of raw cotton have also continued to decline during the past month, although at a slower rate. Total stocks on June 9 amounted to 437,000 bales as compared with 673,000 on June 7, 1927. Bremen imports from August 1, 1927 to June 9, 1928, reached a total of only 1,899,000 bales, as compared with 2,783,000 in the same period last year but inasmuch as Bremen stocks have decreased 112,000 bales since August 1, 1927, whereas they increased by 545,000 bales in the same period last year, it is apparent that the takings of Germany and other Central European countries through Bremen so far this season have been nearly as large as a year ago. The figures show an outward movement of 2,011,000 bales from August 1, 1927, to June 9 this year, as compared with 2,137,000 in the corresponding period last year and 1,536,000 two years ago. The takings of Germany alone, judging from official figures on the net imports between August 1 and April 30 this season, have decreased about 11 per cent as compared with the corresponding months of the previous season, amounting to 1,195,000 bales of 500 pounds compared with 1,342,000 bales.

GERMANY: Imports of cotton yarn and woven materials

Month	Cotton yarn 1926	Cotton yarn 1927	Cotton yarn 1928	Woven cotton materials 1926	Woven cotton materials 1927	Woven cotton materials 1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	5,772	6,931	13,252	3,333	1,594	5,959
February	5,154	12,809	11,409	2,846	2,943	4,363
March	4,899	10,384	10,657	1,984	3,671	4,403
April	4,140	13,488	10,154	1,351	3,995	3,530
May	3,554	12,509		1,142	4,687	
June	4,638	13,294		1,142	4,824	
July	3,988	12,328		787	4,694	
August	3,962	14,240		787	4,277	
September	4,500	13,962		794	5,355	
October	4,599	13,514		1,380	5,719	
November	5,657	12,840		990	5,758	
December	5,617	12,879		1,063	5,373	

Compiled from official German Foreign Trade Statistics.

Czechoslovakia

May reports indicate a continuation of the declining tendency of cotton spinning activity in Czechoslovakia, but it is evident that spinning mills are reducing production slowly and that the general level of operations remains high. Spinning mill activity in April was still at 105 per cent of single shift capacity as compared with 108 in March, 109 in February and 110 in January. New business is reported not very good in recent weeks, but the general situation is still satisfactory on the whole. Exports have been tending to increase since February but export sales declined during the first half of June. There is no reason to anticipate a pronounced decline in domestic demand with internal economic conditions favorable. Some further decline in spinning mill operations is probable in the immediate future, but the outlook is better than in Germany and is generally favorable.

Weaving mills are less satisfactorily occupied than spinners, and appear to be curtailing production to a somewhat greater extent, a fact which may affect spinners later on, but even here prospects are not yet unfavorable.

CZECHOSLOVAKIA: Activity of mills spinning fine cotton, by months, August, 1926, to April, 1928

Year and Month	Basis spindle hours	Basis active spindles	Activity of active spindles
	Per cent	Per cent	Per cent
1926 -			
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.10
November	90.40	86.40	104.50
December	96.50	87.40	110.40
1927 -			
January	98.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	108.00	93.00	116.10
May	110.00	93.00	118.30
June	110.00	93.50	117.60
July	102.00	93.00	110.50
August	107.20	94.20	113.00
September	114.90	95.00	121.00
October	113.50	95.20	119.50
November	110.60	95.60	115.70
December	110.60	95.60	115.70
1928 -			
January	110.00	95.50	115.20
February	109.00	94.90	114.80
March	108.00	94.40	114.40
April	105.00	93.40	112.40

Compiled by the Allgemeiner Deutsche Textilverband.

Austria

Austrian textile developments during May can be interpreted as at least partially favorable. Sales by the mills are reported to have been well sustained, thereby enabling the level of unfilled orders to be maintained. This seems to have been at least partially due to the buoyancy of the domestic economic situation in recent months, but also to continued good business with Balkan countries. Sales and exports to Germany, however, have not improved, and there is not much reason to anticipate any significant revival of business in this direction in the immediate future. German demand, in fact, may fall off rather than pick up.

Austrian spinning mill activity in April was 78.4 per cent compared with 80.8 per cent in March and 80.5 in February. Later figures are not yet available but it is possible that a slight reduction in activity has taken place. Generally speaking, the Austrian outlook for cotton consumption is now somewhat more favorable than a few months ago, when it appeared that Austrian mills might be forced to restrict operations considerably.

AUSTRIA: Cotton spinning mill activity
(In per cent of "Full Capacity" a/)

Month	1924	1925	1926	1927	1928
	Per cent	Per cent	Per cent	Per cent	Per cent
January	70.0	76.6	81.4	75.3	83.3
February	70.0	80.1	84.6	78.9	80.5
March	73.6	75.3	79.2	81.5	80.8
April	71.5	74.5	75.4	85.5	78.4
May	67.1	70.0	66.9	84.5	
June	64.1	75.5	61.5	82.2	
July	86.3	78.5	72.1	87.2	
August	57.3	76.3	57.0	90.4	
September	68.0	78.9	60.1	85.2	
October	70.0	82.5	64.8	84.7	
November	69.1	91.3	75.9	82.6	
December	78.2	66.8	75.3	82.4	

Compiled by the Austrian Institute for Business Research.
a/ These indices are expressed in percent of so-called "full capacity", which probably means pre-war single shift capacity. Inasmuch as the pre-war working day was 25 per cent longer than the present, 25 per cent added to the above figures would about give present activity in terms of present single shift capacity.

Hungary

Though business was still quiet during May and early June, Hungarian textile mills experienced some pick-up in sales, and retailers found trade not unsatisfactory. Occupation in both spinning and weaving establishments continued high during the month, and there was every indication that Hungarian mills will remain on high levels of activity. The tariff in force gives the industry good protection.

Poland

Commercial reports of early June state that the Polish cotton spinning and weaving industries were considerably embarassed by heavy stocks resulting from the falling off of domestic demand and increased sales difficulty in export markets. Textile operatives were threatening to strike unless substantial wage increases were granted. Mill owners, however, were said to look upon such a strike as a possible alleviation of the situation, and are reported to be refusing workers' demand.

France and Italy

May and early June reports from the French cotton industry were again favorable. While the yarn and fabrics market was quiet in the absence of new developments, sales of both yarns and fabrics were reported to have been large enough to keep pace with the current good levels of production. Spinners are now assured of operations at present levels for fully three months ahead, and the weaving mills are also quite well supplied with orders, some of them through September.

Improvement in the French textile situation is primarily due to the development of better demand from the domestic market coincident with the general economic revival which now seems to be setting in. French mills are therefore exhibiting less interest in export, and the decline in sales to Germany, as a result of lower prices there, is felt less than it would have been a few months ago. The outlook for the French cotton industry is now fairly satisfactory, as with the revival of general business, it is probable that mills will be able to hold the present high level of activity for some time to come.

Detailed reports on Italy are lacking, but it is reported that the Italian cotton industry has registered some further improvement during May.

Belgium

The Belgian cotton textile situation is reported to have been less favorable during May than in April, according to Vice-Consul Sherman at Ghent. Demand for raw cotton was small and there was very little export business in yarns. Some mills reduced from double shift to single shift, and weavers reported business to be less favorable. However, mills are still reported to be well occupied.

Cotton textile situation in other foreign countries

Great Britain

A return to the policy of organized short time is again being proposed for the American section of the British cotton spinning industry, according to Commercial Attache Cooper at London. A ballot is being taken from the spinners on the proposal by the Federation of Master Cotton Spinners that mills spinning American cotton work half time beginning in July. A ninety per cent majority is required to make the recommendation enforceable.

May exports of cotton yarn were 14,067,000 pounds against 22,818,000 pounds in May 1927 and 10,579,000 pounds in May 1926. The largest decreases were for Holland, Germany and India. Exports of piece goods amounted to 288,935,000 square yards compared with 413,615,000 square yards in May 1927 and 304,214,000 square yards in May 1926. Decreases in amounts exported to India, Germany, Egypt and Iraq account for most of the decline.

Some improvement was reported for both the Liverpool and the Manchester raw cotton markets for the middle of June and turnover for spinners and manufacturers was more encouraging according to press reports. Some revival of inquiry from India was reported.

Russia

Demand for cotton goods exceeded the supply in Russia during May, according to "Economic Life". The market was strained by a sudden demand for summer goods. In some places this demand was satisfied by about five per cent, partly due to faulty organization of distribution. Production of cotton yarn and finished goods declined slightly in April compared with March production due to fewer working days in April.

RUSSIA: Production of cotton yarn and cotton goods, by months, 1927 and 1928

Year and month	Yarn	Semi-finished goods	Finished goods
	Million pounds	Million yards	Million yards
1927 -			
January	47.2	--	209.9
February	48.3	--	213.6
March	50.5	--	219.8
April	50.3	--	215.3
May	54.0	--	222.9
June	50.5	--	210.1
July	36.6	--	151.4
August	47.6	--	200.0
September	56.7	241.4	245.8
October	56.4	235.5	239.2
November	52.2	217.6	220.4
December	57.5	233.7	242.0
1928 -			
January	59.3	244.1	246.1
February	58.9	243.3	235.1
March	62.4	259.4	252.3
April	55.6	--	200.3

Compiled from the Statistical Review published by the Central Statistical Bureau of U. S. S. R., and from the Economic Bulletin of the Conjuncture Institute.

China

Yarn and cotton goods have been moving into the interior of China and stocks are not large, due to reasonably good demand and transportation, according to a cable dated June 23 from Agricultural Commissioner Nyhus at Shanghai. The Shanghai mills continue to operate at full capacity and under a favorable relationship between prices of yarn and raw cotton.

After the Tsinan incident in Shantung Province the Japanese lowered quotations on their yarns to offset propaganda for boycotting Japanese goods. This price cut resulted in a slowing up in buying of Chinese yarns as there was not a comparable reduction in Chinese yarn prices. The boycott was only slightly effective, states Mr. Nyhus, and conditions had practically returned to normal. The yarn market was reported as firm. Domestic cotton plantings are reported as having suffered from drought but local prices have not reflected any serious damage.

Chinese demand for American cotton of the new crop does not appear to be as favorable as it was in 1927, according to Mr. Nyhus. The foreign report made by local Japanese mills on export outlet for high count yarns, is less favorable than a year ago, and the outlet for high count yarns requiring American cotton may be confined to Chinese markets.

Japan

The outstanding feature of the cotton industry this year has been the marked contraction in raw cotton imports, according to a June 5 report from the office of the Commercial Attache at Tokyo. This was particularly noticeable in April, when total imports fell to 201,000 bales, although this month usually shows the heaviest imports of the year. The following brief comparative table illustrates this trend:

Raw Cotton Imports (In 500 lb. bales)

	January to April, incl.	
	1927	1928
From -		
British India	813,932	504,816
United States	756,544	381,626
China	72,180	129,548
Egypt	28,430	19,534
Others	7,082	3,500
TOTAL	1,678,168	1,039,024

Business conditions in the cotton yarn and textile industry continue unsatisfactory. Exports have been unfavorably affected by the military disturbances in China while domestic textile consumption is somewhat slower. There are even indications that the existing restrictions on production may be increased in the near future.

India

The Bombay cotton mill strike situation shows no change but hopeful developments at the joint conference of the employers and operatives, to be convened shortly, are awaited with keen interest, according to trade reports for the middle of June.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-May, 1926-1927 and 1927-1928
(Bales of 500 pounds gross)

Country to which exported	July - May 1926-27	July - May 1927-28	May 1927	May 1928	May, 1928 Long staple	May, 1928 Short staple
	Bales	Bales	Bales	Bales	Bales	Bales
LONG AND SHORT STAPLE:						
Germany	2,730,636	2,001,578	151,691	137,261	14,348	122,913
United Kingdom	2,542,546	1,366,386	101,213	111,620	16,431	95,189
France	1,029,155	873,391	33,923	42,468	7,130	35,338
Italy	793,738	669,800	39,459	75,337	5,317	70,020
Soviet Russia in Europe	405,254	379,029	87,152	67,432	35,455	31,977
Spain	352,143	302,242	28,455	28,319	2,911	25,408
Belgium	270,377	197,217	17,853	12,327	1,267	11,060
Netherlands	143,298	135,896	5,423	12,214	2,195	10,019
Sweden	65,187	53,776	2,338	5,675	1,569	4,106
Other Europe	101,811	95,668	9,464	11,474	581	10,893
Total Europe	8,434,145	6,074,983	476,971	504,127	87,204	416,923
Canada	240,965	214,322	19,520	17,338	1,029	16,309
Japan	1,584,877	927,018	94,380	73,804	253	73,551
China	245,812	124,402	8,338	7,577	0	7,577
British India	283,404	84,414	25,992	1,405	0	1,405
Other countries	11,122	5,446	1,471	988	329	659
Total exports	10,800,325	7,430,585	626,672	605,239	88,815	516,424
Total imports a/	360,720	351,354	22,330	20,755		
Total re-exports a/	19,058	17,195	1,751	239		
Net exports	10,458,663	7,096,426	606,093	584,723		
LINTERS						
Germany	145,400	123,876	7,474	7,858		
United Kingdom	49,481	21,192	2,169	916		
France	23,223	30,417	4,358	1,909		
Other Europe	26,435	22,386	2,775	2,730		
Total Europe	244,539	197,871	16,776	13,413		
Canada	18,517	16,208	922	1,479		
Other countries	254	220	65	124		
Total exports	263,310	214,299	17,763	15,016		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

a/ Bales of 478 pounds net.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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July 26, 1928

FOREIGN NEWS ON COTTON

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THE JAPANESE COTTON INDUSTRY

The cotton spinning mills in Japan continue to operate under an agreement to curtail production, which agreement has been extended to December 31, but yarn output under this restriction has averaged 198,000 bales per month, or not greatly below the monthly output of about 220,000 bales of about 18 months ago when there was no restriction and the market was active, according to a cablegram to the Foreign Service of the Bureau of Agricultural Economics from P. O. Nyhus, American Agricultural Commissioner in the Orient.

Financial conditions have improved but domestic buying of yarn and piece goods continues on a hand-to-mouth basis. The export demand for piece goods in China and India is likewise poor and yarn exports, although of minor significance, have been materially reduced. Stocks of piece goods are relatively large, but yarn stocks are not excessive. In general both yarn and piece goods markets are slow but in better condition than six months ago. The stocks of raw cotton in Japan at the beginning of the new season (August 1) will probably be small, states Mr. Nyhus, as merchants have not stocked up at current prices, but have awaited new crop developments.

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Bureau of Agricultural Economics
Washington

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August 10, 1928

FOREIGN NEWS ON COTTON

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THE COTTON DEMAND SITUATION IN CONTINENTAL EUROPE

Conditions in the Continental cotton textile industry as a whole reflect comparatively little recent change, although at the end of July the tone was somewhat less favorable, according to reports a/ received by the Foreign Service of the Bureau of Agricultural Economics from Acting Agricultural Commissioner Steere at Berlin. Activity in both German and other Central European spinning and weaving mills apparently continues to decline, as in the past few months. Business continues unsatisfactory.

Manufacturers in Germany assert that prices are very unsatisfactory as a result of price cutting by both domestic and foreign manufacturers. Yarn sales are less and spindle activity continues to decline. Weavers report rising stocks and wholesalers complain of poor payments. In Austria decline in activity was reported for June and business was affected by French and Italian competition and reduced sales to Germany and Hungary. In Italy further improvement in the cotton textile industry has been reported, although recently prices have been less remunerative with mill stocks of yarn increasing. The French industry has likewise made progress but conditions have lately become less favorable with a decline in sales and new orders scarce. In Alsace mills are well occupied but some decline in mill activity has occurred in other parts of Northern France. A decline in sales and mill activity is reported from Switzerland.

The outlook for raw cotton consumption on the Continent as a whole is for a declining mill consumption in the near future, but no sharp restriction of consumption is yet in prospect. Demand will be uncertain until the crop outlook becomes more definite.

Germany

Reports from the German cotton textile industry during June and July indicate that the recent flow of new orders has continued in relatively small volume. Some further curtailment in cotton mill activity seems probable before long as stocks of yarns have accumulated to some extent in spinning mills, and weavers also report a similar development. In July weavers of raw fabrics, who ordinarily have orders into October at that time of the year, were covered for only six to nine weeks ahead, but weavers of colored and rough fabrics were supplied with commitments extending to October on the average. While these reports indicate less favorable development in some branches, it is, nevertheless, apparent that production of the industry as a whole is declining but slowly, in spite of the continued complaints of unsatisfactory prices and orders.

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a/ Report of July 20 supplemented by cable of August 1.

The main encouraging factor in the situation lies in the fact that the cotton textile industry still maintains hope that wholesalers will be in a position to place new orders before long, inasmuch as stocks in the hands of the trade are reported not burdensome. Retailers are at present placing better orders for printed goods with wholesalers, although prices in these lines are also said to be unsatisfactory. The manufacturer's complaint of inability to advance goods prices to an extent commensurate with the rise in raw cotton prices seemingly extends also into trade channels. This general price situation is apparently due to efforts of manufacturers to maintain high operating levels for the sake of lower producing costs in the face of quieter sales, which would seem to confirm some faith in the retail outlook.

Foreign competition in yarn and fabrics was again evident on a moderate scale on the German market during June, with French offers again depressing the market for certain fabrics in the Rhineland. German export sales of cotton textiles are recently reported insignificant, especially in staple lines, as several neighboring countries with low costs of production are offering goods at prices which German manufacturers either cannot or are unwilling to meet.

German spinner buying at Bremen in June and early July was reported quiet, although better than during the previous month, considerable interest being manifested in spot and near positions. Demand for new crop cotton remained insignificant and Bremen dealers were reported to have made only small import purchases during recent weeks.

Exports of cotton from the United States to Germany were 2,160,000 bales for the period August 1, 1927 to July 27, 1928, as compared with 2,940,000 bales for the corresponding period last season, and 1,715,000 bales for the corresponding period in 1925-26, according to the "Commercial and Financial Chronicle." Stocks of all cotton at Bremen were 379,000 bales on July 22, and 549,000 and 128,000 for the corresponding dates in 1927 and 1926. German imports of cotton yarn amounted to 8,823,000 pounds in May against 12,509,000 for the same month in 1927, while imporys of cotton cloth totaled 2,650,000 pounds in May this year against 4,687,000 pounds last year.

Czechoslovakia

June reports from the Czechoslovakian cotton textile industry indicate that some further decline of spinning activity has taken place. Sales of both yarn and fabrics are reported, however, to have been maintained at about May levels during the month of June. While spinners and weavers indicate that this volume of new business was not satisfactory, they are maintaining the hope that with the continuation of the favorable economic conditions in Czechoslovakia larger orders for autumn will be placed. Manufacturers appear optimistic as to the possibility of holding cotton mill production on relatively high levels for some months to come, although some further recession from the current rate of activity seems probable.

Austria

Reports on June developments in the Austrian cotton textile industry are again slightly favorable as a result of spinning mills having booked increased new business during the month, a revival due largely to improved demand on the part of the domestic market. The Austrian cotton industry also seems to have some hope of improvement in autumn business, but the situation is somewhat clouded by the rather unsatisfactory conditions prevailing in export sales, particularly to Germany and Hungary. Keen foreign competition from France and Italy is reported.

The latest available data on American spinning mill activity, for the month of May, 1928, indicate some increase as compared with previous years, activity amounting to 72.6 per cent as compared with 64.5 per cent in May, 1927 and 66.9 per cent in May, 1926.

COTTON YARN: Imports into Germany from Austria

Month	1925	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	357	664	243	163
February	553	494	476	260
March	758	331	558	220
April	800	331	694	203
May	683	243	628	295
June	1,098	203	456	
July	1,276	194	355	
August	1,349	139	551	
September	1,451	165	317	
October	1,206	132	245	
November	972	148	240	
December	511	159	223	

Official German Foreign Trade Statistics.

France

The production of yarn and fabrics in France was well maintained during June but July reports point to a decline in sales by mills and to a scarcity of new orders. There was some decline in the activity of cotton mills in northern France but Alsace mills continued to be well occupied. The improving tendency in the general business outlook is a favorable factor in the cotton industry situation.

During the early weeks of June, when domestid demand was rather quiet, French exporters temporarily indicated increased interest in export business, especially to Germany, but with the revival of domestic inquiry have somewhat relaxed their efforts in this direction. Some inquiry is reported from North Africa and other French colonies, but the main business at the present time is with the domestic market.

Italy

Information on the situation in the Italian industry up to the middle of July continues relatively favorable and indicative of slowly progressing recovery. Spinning mills are now on a relatively high level of activity, recently reaching a high point for the season, or something above 90 per cent activity. It is privately estimated that consumption of American growth by Italian mills for the year ending July 31, 1928 will be slightly larger than in the previous year.

The yarn market is reported to have shown some gradual improvement recently, with prices a little more remunerative than before, but spinning margins continue unsatisfactory with no immediate prospect of significant improvement. Stocks of yarn are said to be increasing. Weavers indicate that the movement of fabrics to consumers remains somewhat slow, with the best demand falling mainly to better quality goods and mixed cotton and silk products.

While developments in the domestic market in Italy are tending to improve slowly, conditions in the export markets, the most important of which are the Balkans, Turkey, Africa and South America, are not entirely satisfactory because of keen foreign competition. The industry, however, exhibits confidence that export business will improve with Italian manufacturers making progress in adjusting production to foreign requirements.

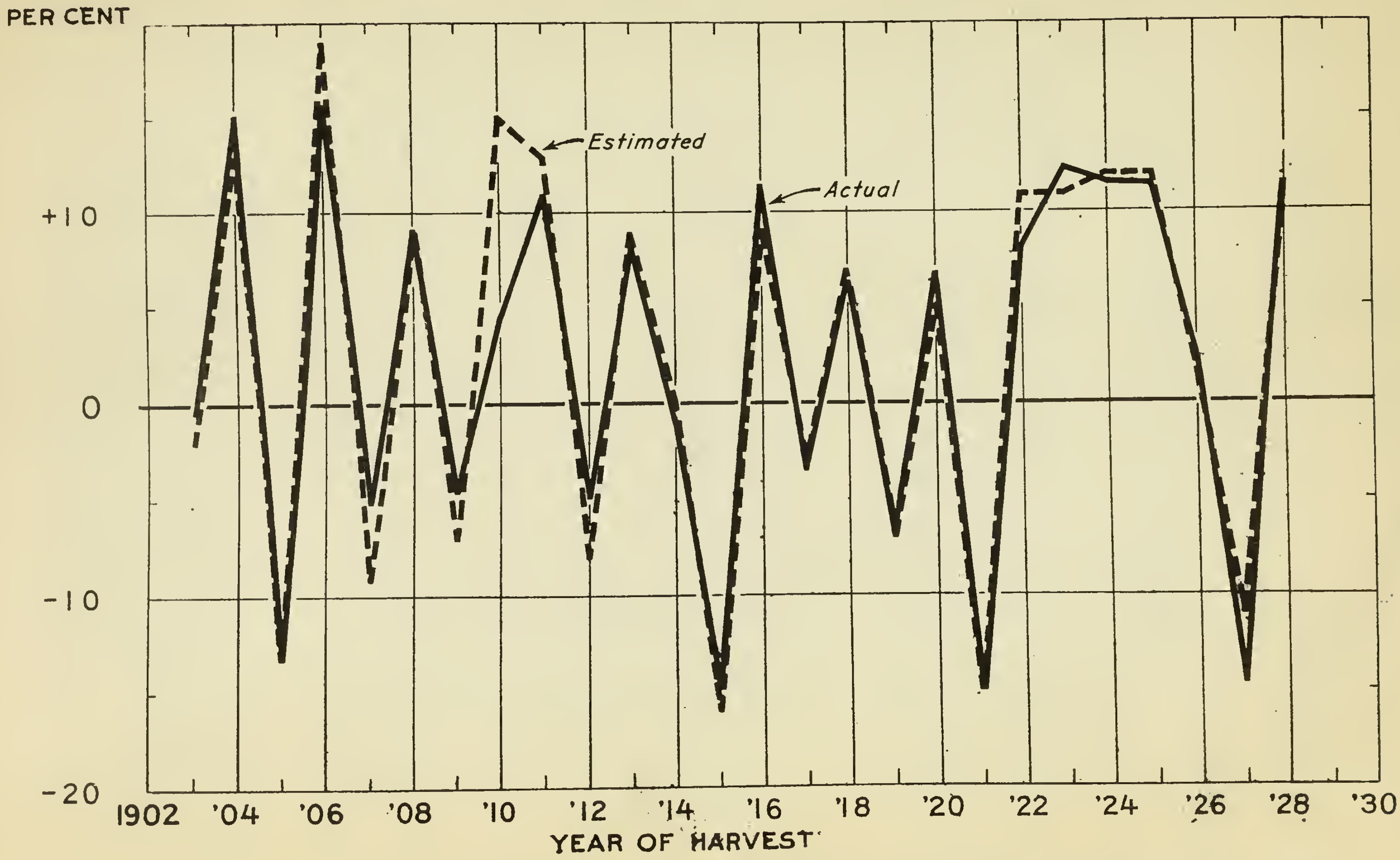
Belgium

Reports from Belgium continue to emphasize dullness in the development of new business for both cotton spinners and weavers, but at the same time indicate that mills remain busy on extensive contracts and will continue so occupied at least for the near future. Increasing competition and less satisfactory margins for export sales are reported, but it appears, nevertheless, that consumption of raw cotton will remain relatively large in the months immediately ahead.

Hungary

Hungary reports a good increase in cotton yarn business as well as cotton yarn fabrics around the close of June, an improvement due to a considerable extent to firmness in raw cotton. Activity in both spinning and weaving branches of the Hungarian textile industry remains high, and there is every reason to believe that the rate of activity will be maintained for some time.

ACTUAL CHANGES IN U.S. COTTON ACREAGE AND CHANGES ESTIMATED FROM ANTECEDENT FACTORS



FOR 1928 THE COMPARISONS ARE FOR ACREAGE IN CULTIVATION JULY 1. FOR EARLIER YEARS COMPARISONS ARE FOR HARVESTED ACREAGES.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-29

September 6, 1928

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe

The situation in the cotton textile industry on the European continent during the second half of July and the first half of August was generally less favorable than the preceding month, mill activity and sales showing a continued decline, according to a cablegram to the Foreign Service of the Bureau of Agricultural Economics from Acting Agricultural Commissioner Steere. The expected autumn improvement has not yet materialized and wholesale and retail trade are slow. Some seasonal improvement, however, may be expected.

In Germany activity in the spinning and weaving mills has been further curtailed. Spinners' sales have been unsatisfactory. The weaving industry has been depressed in the Rhine section but is more satisfactory in South Germany. The sales of color fabrics have been poor but unprinted cloths have sold better. Mill stocks of yarn and piece goods have further increased, price cutting has been reported, and imports of yarn and piece goods have declined. German wholesalers have adopted a waiting attitude due partly to the poor spring retail business as a result of unseasonable weather. Sales of raw cotton at Bremen to spinners have been rather active this month, however, and import buying of cotton has been moderately large. Mill sales in Czechoslovakia and Austria have further declined.

In France domestic sales of yarn have been rather small and exports unsatisfactory but cloth sales have improved. Stocks of yarn at mills have been rising and activity declining. The industry in Belgium and Italy has also experienced some recession. In Hungary sales of piece goods have been well maintained but yarn sales declined and spinning activity was somewhat reduced.

United Kingdom

A decline in the activity of the British cotton textile industry is indicated for the six months ending July 31, as compared with the same period a year ago. The number of insured work people unemployed from February to June this year was greater than for the corresponding months in 1927, according to the Ministry of Labor returns. The total wages paid to all work people in the cotton industry in June was 5.6 per cent below that of June, 1927. Exports of piece goods from the

United Kingdom for the seven months ending July 31 were 2,271,181 square yards, or 6 per cent below the corresponding period last year, and exports of yarns declined 18 per cent.

Somewhat more favorable are the exports for July, and the situation with regard to raw cotton stocks at British ports. Exports of piece goods in July were above those of July, 1927. Stocks of American cotton at Liverpool and Manchester on August 17 were moderately low, according to the Commercial and Financial Chronicle, totaling 445,000 bales against 900,000 and 496,000 bales on corresponding dates in 1927 and 1926. Exports of lint cotton to the United Kingdom for the six months ending July 31, 1928 were 740,000 bales against 880,000 for the same period in 1927.

EXPORTS OF AMERICAN COTTON

Exports of cotton from the United States for the 1927-28 season declined 3,442,000 bales from those of the previous season. Such a decline was to be expected in view of the large stocks held abroad at the beginning of the year and the higher prices. The largest decrease to any one country was to the United Kingdom where the industry is experiencing a severe depression. As in the previous year, more cotton is shown as exported to Germant than to any other country. This was due in part to the fact that central European countries import cotton through Germany, but also to the fact that German consumption remained high during much of the year. France, Italy, Spain, the Netherlands, and Sweden, although importing less cotton for this year than for the previous one, imported more during July, 1928 than during July, 1927. Exports to the Orient were more than a million bales under those for the previous year, showing the effect of the relatively higher price of American to Indian cotton during 1927-28 in restricting the substitution of the former for the latter and the effect of mill curtailment, particularly in Japan.

Although our total exports fell off over 3.4 million bales, it should be remembered that this leaves foreign countries with smaller stocks of American cotton on Aug. 1, 1928 than they had on August 1, 1927.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, year ended July 31, 1927 and 1928
(Bales of 500 pounds gross)

Country to which exported	Year ended July 31: 1927	Year ended July 31: 1928	July: 1927	July: 1928	July, 1928: Long staple	July, 1928: Short staple
LONG AND SHORT STAPLE:	Bales	Bales	Bales	Bales	Bales	Bales
Germany	2,825,502	2,069,464	62,781	41,756	5,900	35,856
United Kingdom	2,602,300	1,450,271	36,382	44,966	11,628	33,338
France	1,056,570	912,900	21,489	30,337	3,285	27,052
Italy	815,879	715,314	33,160	40,739	2,404	38,335
Soviet Russia in Europe	522,028	443,009	82,142	76,753	40,442	36,311
Spain	361,268	325,221	11,048	15,732	1,081	14,651
Belgium	284,800	208,535	12,256	7,376	209	7,167
Netherlands	149,409	148,800	3,350	8,240	242	7,998
Sweden	67,091	57,147	1,153	2,283	264	2,019
Other Europe	110,528	99,833	3,657	2,737	288	2,449
Total Europe	8,795,375	6,430,494	267,418	270,919	65,743	205,176
Canada	266,043	227,780	17,130	15,797	2,963	12,834
Japan	1,653,733	1,000,417	60,024	53,237	532	52,705
China	274,003	123,119	19,593	6,971	214	6,757
British India	297,565	70,884	13,742	0	0	0
Other countries	12,766	4,589	1,581	270	0	270
Total exports	11,299,485	7,857,283	379,488	347,194	69,452	277,742
Total imports a/	419,440	353,356	32,581	19,324		
Total reexports a/	19,722	18,435	408	1,095		
Net exports	10,899,767	7,522,362	347,315	328,965		
LINTERS:						
Germany	161,718	124,430	14,372	7,225		
United Kingdom	50,193	21,546	1,044	876		
France	27,439	35,148	2,691	2,207		
Other Europe	27,971	22,925	1,203	826		
Total Europe	267,321	204,049	19,310	11,134		
Canada	19,440	17,932	826	747		
Other countries	257	510	1	232		
Total exports	287,018	222,491	20,137	12,113		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

EGYPTIAN COTTON SITUATION

The official estimate of cotton acreage in Egypt, according to various sources, is 1,805,000 acres, as compared with 1,574,000 for the 1927-28 season. This increase is unexpected in view of the Egyptian legislation to limit the cultivation to one-third of the arable area. The Manchester Guardian states that the difference may be more apparent than real and may be due to a revised system of estimating as well as to some increased planting in southern sections of Upper Egypt where the lands devoted to cotton have never amounted to one-third of the total cultivable area.

The condition in July has some relationship to the final yield per acre. The July condition this year is reported at 100 per cent of the past ten years, as compared with 100 for July last year when the yield was 380 pounds lint per acre, and 101 in July, 1926, when the final yield was 409 pounds. The table below gives the data back to 1920-21.

COTTON: Area, production and yield in Egypt

Season	Area	Production	Yield per acre	Condition b/ May	June	July
	1,000 acres	1,000 bales a/	Pounds			
1920-21	1,897	1,251	315.2	---	---	---
1921-22	1,339	902	322.0	94	92	89
1922-23	1,869	1,391	355.8	98	98	96
1923-24	1,780	1,353	363.3	87	88	87
1924-25	1,856	1,507	388.1	97	100	97
1925-26	1,998	1,650	394.7	97	97	98
1926-27	1,854	1,586	408.9	96	97	101
1927-28	1,574	1,252	380.2	101	101	100
1928-29	c/ 1,805			100	99	100

Monthly Agricultural Statistics of Egypt and International Crop Report of the International Institute of Agriculture.
a/ Bales of 478 pounds net. b/ As per cent of the average for the past ten years. c/ Preliminary.

The acreage planted to Uppers this season is in line with the trend for the past nine years, an increasing area being cultivated in Uppers with Sakel acreage on the decline.

COTTON: Area in Egypt, by varieties

Season	Sakellaridis	Achmouni and Zagora (Uppers)	Other varieties	Total
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1920-21	1,319	381	197	1,897
1921-22	1,034	271	34	1,339
1922-23	1,410	418	41	1,869
1923-24	1,303	428	49	1,780
1924-25	906	814	136	1,856
1925-26	1,173	684	141	1,998
1926-27	1,020	692	142	1,854
1927-28	826	747	1	1,574
1928-29	830	798	177	1,805

"Cotton Growing Countries" by the International Institute of Agriculture, except 1927-28 and 1928-29 which are from trade reports quoting the Egyptian Department of Agriculture.

Stocks of Egyptian cotton in foreign mills are not yet available. In the United States the stocks of Egyptian cotton in consuming establishments and at public storage on July 31 were lower than in the past three years, totaling 65,319 bales as compared with 72,169 and 92,713 on July 31, 1927 and 1926. The world's visible supply of Egyptian cotton on August 9 was considerably below that of a year ago, as indicated in the following table.

EGYPTIAN COTTON: World's visible supply
(1,000 bales of 478-lbs. equivalent)

Location	August 11, 1927	August 9, 1928
Alexandria	462,866	312,239
England	92,573	80,021
America	15,691	20,397
Continent	14,121	10,983
Afloat	39,226	44,718
Total	624,477	468,358

Maison G. D. Sarris, Cotton Report of August 9, 1928.

The table on the following page shows that the premium of Egyptian Uppers over American Upland 1-1/8" this year has been somewhat higher than last year. This premium reached a peak in March and April but since May it has narrowed. During the period of rising prices in 1927 the premium widened materially. Essentially the same relationship exists between the prices of Egyptian Uppers and middling 7/8" cotton prices.

COTTON: Prices and premiums of American and Egyptian (per pound)

Date	Price Egyptian Uppers F.G.F. New England mills	Price American middling upland at Memphis 7/8"	Price American middling upland at Memphis 1-1/8"	Premium 1-1/8" over 7/8" at Memphis	Premium of Egyptian Uppers at New England mills 7/8" at Memphis	Premium of Egyptian Uppers at New England mills over 1-1/8" at Memphis
	Cents	Cents	Cents	Points	Points	Points
1925						
October 30 ..	32.25	19.50	25.00	550	1275	725
November 27 .	30.75	20.50	25.00	450	1025	575
December 31 .	27.75	19.25	25.00	575	850	275
1926						
January 29 ..	27.25	20.00	25.00	500	725	225
February 26 .	26.00	19.25	23.00	375	675	300
March 26	23.75	18.00	23.00	500	575	75
April 30	25.50	18.00	22.00	400	750	350
May 28	25.00	17.75	22.00	425	725	300
June 25	24.10	17.25	20.00	275	685	410
July 30	24.00	18.25	20.25	200	575	375
August 27 ...	25.25	18.25	20.00	175	700	525
September 24	24.50	14.50	18.00	350	1000	650
October 29 ..	19.75	12.25	14.50	225	750	535
November 26 .	19.37	12.50	14.50	200	687	487
December 24 .	18.37	12.00	14.00	200	637	437
1927						
January 28 ..	18.87	12.75	15.25	250	612	362
February 28 .	21.37	13.50	15.50	200	787	587
March 26	20.62	13.50	15.50	200	712	512
April 29	22.50	14.50	16.50	200	800	600
May 27	26.00	15.50	19.00	350	1050	700
June 24	26.75	15.75	19.25	350	1100	750
July 29	30.50	17.75	21.25	350	1275	925
August 27 ...	31.12	21.00	24.00	300	1012	712
September 30	30.13	20.60	24.10	350	953	603
October 31 ..	31.38	19.95	23.45	350	1143	793
November 25 .	30.25	19.25	22.75	350	1100	750
December 30 .	30.25	19.30	22.30	300	1095	795
1928						
January 27 ..	27.50	17.55	20.05	250	995	745
February 24 .	28.75	18.05	20.55	250	1070	820
March 30	30.25	18.65	20.65	200	1160	960
April 27	32.00	20.50	22.50	200	1150	950
May 25	31.00	19.85	21.85	200	1115	915
June 29	31.13	22.25	24.25	200	888	688
July 27	29.38	20.45	22.45	200	893	693
August 24 ...	27.25	18.45	20.45	200	880	680

Compiled by the Division of Cotton Marketing, Bureau of Agricultural Economics.
Note: The cost of delivering cotton to New England mills from Memphis is approximately 1.3 cents per pound.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
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September 7, 1928

FOREIGN NEWS ON COTTON

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WORLD COTTON CONSUMPTION AND MILL STOCKS

World mill consumption of American cotton for the six months ending July 31, 1928 was 7,181,000 bales as compared with 8,357,000 bales for the corresponding period last year, according to a cablegram to the Foreign Service of the Bureau of Agricultural Economics from the International Federation of Master Cotton Spinners' and Manufacturers' Associations. Mill stocks of American cotton on July 31 were 2,112,000 bales as compared with 3,056,000 on July 31, 1927.

The decrease in consumption the past season of American, Indian, and Egyptian cotton from the previous season was partly offset by an increase in consumption of other growths so that the world's total consumption was 25,540,000 bales or only 601,000 bales less than the previous season. World mill stocks of all cotton on July 31 were 4,787,000 bales as compared with 5,407,000 on July 31, 1927, and 4,498,000 on July 31, 1926. Mill stocks of Indian cotton at the beginning of this season (1928-29) were higher than a year ago, but American and Egyptian declined, the decline in American being 944,000 bales or 31 per cent.

COTTON: World mill consumption and mill stocks
(Lint cotton in running bales)

Period	Mill Consumption				
	American	Indian	Egyptian	Others	Total
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Half-year ending:					
July 31-					
1927	8,357	2,378	506	2,171	13,412
1928	7,181	2,220	467	2,685	12,553
Year ending:					
July 31-					
1926	13,730	5,572	921	4,458	24,681
1927	15,780	5,196	993	4,172	26,141
1928	15,407	4,523	956	4,654	25,540
	Mill Stocks				
July 31, 1926	1,969	1,589	201	739	4,498
1927	3,056	1,515	210	626	5,407
1928	2,112	1,728	170	777	4,787

Source: Reports of International Federation of Master Cotton Spinners' and Manufacturers' Associations, Manchester, England.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-31

October 11, 1928

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe a/

Activity in both spinning and weaving branches of the cotton industry has experienced some further decline during August and September over most of the continent, according to reports received by the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner Steere at Berlin. Nevertheless, there are indications that the low point in operations as a whole will soon be reached. There has been some recent seasonal improvement in incoming orders for both spinning and weaving mills everywhere, and manufacturers are now generally more optimistic as to the future, in spite of the fact that current margins are very unsatisfactory, operations still declining and the wholesale trade still reluctant to make important commitments.

The basic reason for anticipating the development of a better tone and more stability of output before long is that mill production, at least in the countries which were operating at a high level in 1927, has now been reduced to a point probably below the normal rate of goods consumption. This is pointed to by reports on mill activity and by the decreasing tendency in mill and trade stocks of products in recent weeks. Seasonal improvement in wholesale and retail demand can also be expected, although not to the degree experienced a year and two years ago, as the trade seems to be moderately well supplied for general requirements and not inclined to stock up. Firmness in goods prices as a result of the working down of stocks and the development of more stability in raw material prices may be expected, however, to stimulate trade commitments in the not distant future.

General business over most of the Continent is just about holding to current levels or tending slightly downward. This year's continental harvest promises no increase over last year in rural purchasing power, as the larger yields of grain are fully offset by lower prices, and as numerous secondary and late crops are turning out rather unsatisfactorily. Even where returns from certain crops will increase, there are generally offsetting factors permitting no material increase over last year's total returns. General European purchasing power, therefore, promises no great

a/ Report of September 20, supplemented by cable of October 2.

improvement in the immediate future. In the textile industry conditions are also extremely competitive, in the woolen and linen branches as well as in cotton. The continued heavy production of both spinning and weaving mills in Central and Northern Europe during the first half of 1928 in the face of declining orders, although it apparently has led to no unsound accumulation of stocks, has been filling consumer needs, and there is now no undersupply such as afforded one basis for the great revival during the last half of 1926.

Reports from practically all European raw cotton markets between the middle of August and end of September indicate relatively active spinner buying of spot cotton, near and new crop positions. Dealer buying for import has also been very large, especially at Bremen. It seems apparent, however, that actual, recent developments in the manufacturing end of the cotton business have not greatly influenced this buying, but rather that both the trade and industry have bought because of confidence in the present level of raw material prices. There are also indications that the industry is now actually in need of raw material as mill stocks at the end of July were relatively low and as Continental spinner takings of American cotton between August 1 and October 5 amounted to only 763,520 bales as compared with 946,038 in the same period last year. Mill consumption has continued important, even though reduced. Continued important sales to spinners, even during periods when prices were declining, point to this being the case, as yarn and fabric sales of the mills were unfavorably influenced by raw material price declines. Mill sales of cotton goods showed an improving tendency toward the end of September.

Germany

Developments in the German cotton spinning and weaving industries continued unfavorable during August and the first half of September, according to all available information. Actual statistics on the rate of activity are no longer available, but figures on the number of workers fully employed in the cotton textile industries show a steady decline, part of which may be seasonal, from 90.6 per cent fully employed in January 1928 to 57.5 per cent in July. The indices of German cotton yarn production published by the Institute for Business Research show a similar decline and point to a yarn output in July about 20 per cent below the average for the first quarter of 1928, which was between 64 and 66 million pounds monthly. Production in July was also slightly below the average for the period July 1924 to June 1926. As trade and press reports indicate further restrictions in cotton spinning and weaving during August and September, it seems probable that full time employment among cotton textile workers dropped as low as 50 per cent and that yarn output is also lower.

Reports issued by the cotton spinners and weavers associations have been generally pessimistic for some months, but the last report indicated hope that further restriction of activity would be avoided. The weaving branch has been most unfavorably affected in Silesia, northern Germany and parts of western Germany, with central and southern Germany plants somewhat

better off as a result of favorable late summer and early fall weather which brought supplementary orders for summer goods. These unfavorable conditions have been further aggravated by a lock-out of 45,000 textile workers in the Rhineland. Both spinners and weavers report some improvement in the recent tendency of sales. The increased orders taken by spinners in the past few weeks are thought, however, to be largely seasonal in character and the prices obtained are reported as not at all satisfactory. Competition from foreign yarn is still exerting pressure, although actual imports are much reduced as a result of the relatively low quotations which have been brought about by rather large mill stocks within Germany. The improvement in business for weavers has been chiefly in southern, central and parts of western Germany, and was as much in the nature of supplementary orders for summer goods as for new bookings of a seasonal character. Business in winter goods has not yet developed but is expected as soon as colder weather sets in. The curtain and lace industries reported fairly good orders during August. At least partially as a result of this quickening of business, both the cotton goods trade and manufacturers are now somewhat more optimistic that the immediate future will bring a further revival of business. The fact that yarn stocks in the hands of weavers and of the trade are low, and that yarn stocks at the mills though still fairly important have shown a declining tendency in recent weeks, are also important factors in the outlook.

The Institute for Business Research, in a recent discussion of the textile situation in Germany, expresses the opinion that the recent heavy decline of activity in the textile industry is not due to a reduction in the purchasing power devoted to textiles. It is stated that sales difficulties encountered by the industry since the end of 1927 are mainly due to overbuying by the trade during the course of the season 1926-27, this heavy purchasing leading to a level of activity in the cotton industry much above the level of normal cotton goods consumption and export. The Institute goes on to state that production has arrived in recent months at a level which it should be possible to maintain as representing an adjustment of production to demand, the Institute's indices of yarn production showing the output of recent months as corresponding more or less to "Normal". The Institute also maintains that it is possible that the coming months may bring a revival of demand somewhat larger than could be expected on seasonal grounds, basing this belief upon the fact that the trade has placed such light orders lately that a necessity for considerable replenishment may easily arise if consumptive demand remains good. The Institute, however, while anticipating seasonal improvement, does not expect a general increase in production, apparently for the reason that it does not anticipate a marked general improvement in business conditions.

The development of cotton yarn and cotton goods prices within Germany continues very unfavorable for producers, as the margin over raw material costs has been sharply reduced and as yet shows no signs of widening, quotations for goods closely following fluctuations in raw cotton. Cotton yarn quotations at Stuttgart have been lowered about 5 per cent since the middle

of August and the opinion is expressed that the decline in the open market has been much larger. As previously stated, this development has held down foreign yarn and fabrics imports, but the latter, nevertheless, have kept the German market under continual pressure.

GERMANY: Imports of cotton yarn and woven materials

Month	Cotton yarn			Woven cotton materials		
	1926	1927	1928	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	5,772	6,931	13,252	3,333	1,594	5,959
February	5,154	12,809	11,409	2,846	2,943	4,363
March	4,899	10,384	10,657	1,984	3,671	4,403
April	4,140	13,488	10,154	1,351	3,995	3,530
May	3,554	12,509	8,823	1,142	4,687	2,650
June	4,638	13,294	8,093	1,142	4,824	2,092
July	3,988	12,328	7,502	787	4,694	2,255
August	3,962	14,240	7,046	787	4,277	1,455
September	4,500	13,962		794	5,355	
October	4,599	13,514		1,380	5,719	
November	5,657	12,840		990	5,758	
December	5,617	12,879		1,063	5,373	

Compiled from official German foreign trade statistics.

In spite of the unfavorable tendency of mill operations and frequent weakness of raw cotton prices, the Bremen market reported rather active spinner buying throughout August from Germany, Czechoslovakia, Austria and Poland. Spot, near and forward positions have all been actively traded, and the Bremen trade apparently anticipates further good demand for raw cotton, an important factor mentioned being that mill stocks of raw cotton are now considerably reduced. Bremen dealer buying for import has also been very good, with considerable interest manifested in new crop. The trade seems to regard the present basis as cheap.

Bremen stocks of raw cotton continue to decline, as usual at this time of the year, but at a much slower rate than a year ago. Imports from August 1 to September 15, 1928 amounted to 78,741 bales as compared with 80,450 for the same period last year. Exports, however, amounted to only 198,418 bales during the same period as compared with 323,446 last year, the net decline for the period being, therefore, 119,677 bales as compared with 242,996 last year. Stocks, however, are relatively large, amounting to 264,000 bales on September 15 as compared with 306,000 a year ago, 39,000 two years ago and 40,000 on the corresponding date in 1925.

Czechoslovakia

The situation in the Czechoslovakian cotton industry was also somewhat less favorable during August and early September, states Mr. Steere. Mill activity in July, the latest month available, was 80 per cent of full capacity as compared with 95 per cent in June. September reports speak of some betterment of domestic sales in both yarn and fabrics, and the industry itself shows some optimism regarding seasonal improvement in the near future.

CZECHOSLOVAKIA: Activity of mills spinning fine cotton, by months, August 1927 to July 1928

Year and month	Basis spindle hours	Basis active spindles	Activity of active spindles
	Per cent	Per cent	Per cent
1926-			
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.10
November	90.40	86.40	104.50
December	96.50	87.40	110.40
1927-			
January	98.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	108.00	93.00	116.10
May	110.00	93.00	118.30
June	110.00	93.50	117.60
July	102.00	93.00	110.50
August	107.20	94.20	113.00
September	114.90	95.00	121.00
October	113.50	95.20	119.50
November	110.60	95.60	115.70
December	110.60	95.60	115.70
1928-			
January	110.00	95.50	115.20
February	109.00	94.90	114.80
March	108.00	94.40	114.40
April	105.00	93.40	112.40
May	100.00	94.80	105.40
June	95.00	90.30	105.20
July	80.00	89.70	89.10

Compiled by the Allgemeiner Deutsche Textilverband.

While the outlook for cotton goods sales within Czechoslovakia continues relatively favorable in view of the satisfactory general economic reports, export business is not proving very satisfactory, particularly in the case of yarn sales to Germany. The recent tendency of textile

goods sales to southeastern Europe has also left much to be desired, but so small improvement is to be expected in this trade. Some of the optimism now being entertained in regard to business with this part of Europe is perhaps not fully justified on the grounds of a very favorable harvest, inasmuch as grain prices in recent weeks have dropped to a level likely to bring little, if any, increase over last year's farm returns. Corn, always an important cash crop in the Danube, will this year again bring relatively low returns, as was the case last year. Business with Yugoslavia may not suffer in comparison with last year, however, as the wheat crop is exceptionally good and other crops compare favorably with last year's poor returns in this country.

Austria

Austrian spinning and weaving establishments both found some further restriction in operations necessary during August and early September, even though a pick-up in sales was felt toward the close of August. There was an improvement in fabric sales during September. Manufacturers seem to think that the low point has now been reached, and that the recent improvement in sales is only the beginning of a seasonal increase in business. Austria received some important orders from Russia during September which have been encouraging.

AUSTRIA: Cotton spinning mill activity
(In per cent of "full capacity" a/

Month	1924	1925	1926	1927	1928
	Per cent	Per cent	Per cent	Per cent	Per cent
January	70.0	76.6	81.4	75.3	83.3
February	70.0	80.1	84.6	78.9	80.5
March	73.6	75.3	79.2	81.5	80.8
April	71.5	74.5	75.4	85.5	78.4
May	67.1	70.0	66.9	84.5	72.6
June	64.1	75.5	61.5	82.2	76.1
July	86.3	78.5	72.1	87.2	72.8
August	57.3	76.3	57.0	90.4	
September	68.0	78.9	60.1	85.2	
October	70.0	82.5	64.8	84.7	
November	69.1	91.3	75.9	82.6	
December	78.2	66.8	75.3	82.4	

Compiled by the Austrian Institute for Business Research.
a/ These indices are expressed in per cent of so-called "full capacity", which probably means pre-war single shift capacity. Inasmuch as the prewar working day was 25 per cent longer than the present, 25 per cent added to the above figures would about give present activity in terms of present single shift capacity.

COTTON YARN: Imports into Germany from Austria

Month	1925	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	357	664	243	163
February	553	494	476	260
March	758	331	558	220
April	800	331	694	203
May	683	243	628	340
June	1,098	203	456	245
July	1,276	194	355	293
August	1,349	139	551	201
September	1,451	165	317	
October	1,206	132	245	
November	972	148	240	
December	511	159	223	

Official German foreign trade statistics.

France

Although some further restriction of activity in both spinning and weaving mills during August and September is reported from France, the less favorable tendency of sales a month ago has apparently given way before better business. Sales of fabrics are reported improved, with yarn following reluctantly. The yarn market was still hampered by uncertainty over raw cotton, but a certain betterment becoming evident as well as the more active business in fabrics, has put spinners and the trade in a more optimistic mood over the outlook for seasonal improvement. A textile workers' strike is reported in northern France.

Hungary

Cotton mill activity declined somewhat in Hungary during August and yarn sales were not satisfactory, but some improvement in business set in early in September. Weavers also report improved sales. Further seasonal improvement in the textile situation is expected, although prices are not considered satisfactory.

Belgium

Spinning activity in the Belgian textile industry is still fair, but the general situation is unfavorable because of increasing mill stocks of yarn and unsatisfactory export business.

Cotton textile situation in other foreign countries

Great Britain

Curtailment of production equivalent to a fortnight's stoppage between September 15 and the end of October has been recommended by the State of Trade Committee of the Federation of Master Cotton Spinners' Associations for all mills spinning American cotton in Great Britain. No vote was taken from the members of the Federation, but the Committee express the hope that all members will adopt the recommendation. The plan is looked upon as a temporary measure to meet the urgency of the present situation.

Demand for cotton cloth from the Orient has continued to be slow although some recent improvement has been noted in inquiries from India, according to press reports.

Exports of cotton yarn from Great Britain during August amounted to 15,773,000 pounds compared with 16,647,000 pounds for August 1927 and 12,513,000 pounds for August 1926. There was a considerable increase in yarn exports to India but this increase was more than offset by decreases for Germany and several other countries.

Although exports to all countries were slightly less than for the same month last year, exports to India and China had increased. Declining exports of piece goods to these countries has been one of the discouraging features of the prolonged depression in Great Britain's textile industry.

Russia

Spinning activity and production of semi-finished and finished goods in Russia has shown continued improvement except for a seasonal decline in June and July as may be seen in the following table. Exports of cotton from the United States to Russia are still large though not as large as last year. These large exports are seasonal, however, and will probably decline sharply as in other years, when the Russian cotton crop harvest is in full swing during October and November.

Every effort is being made by the Russian government to increase cotton production through seed selection, improvement of irrigation, and encouraging larger plantings, according to accounts in Economic Life. Cotton has been sown in new areas this season in the Caucusus and the Lower Volga region and plans are being made to develop about 60,000 acres for cotton growing in these districts within the next five years.

RUSSIA: Production of cotton yarn and cotton goods, by months, 1927 and 1928

Year and month	Yarn	Semi-finished goods	Finished goods
	Million pounds	Million yards	Million yards
1927-			
January	47.2	---	209.9
February	48.3	---	213.6
March	50.5	---	219.8
April	50.3	---	215.3
May	54.0	---	222.9
June	50.5	---	210.1
July	36.6	---	151.4
August	47.6	---	200.0
September	56.7	241.4	245.8
October	56.4	235.5	239.2
November	52.2	217.6	220.4
December	57.5	233.7	242.0
1928-			
January	59.3	244.1	246.1
February	58.9	243.3	235.1
March	62.4	259.4	252.3
April	54.0	219.3	212.3
May	61.7	253.9	238.4
June	57.1	241.0	206.7
July	---	---	a/ 189.3

Compiled from the Statistical Review published by the Central Statistical Bureau of U.S.S.R., and from the Economic Bulletin if the Conjuncture Institute.
a/ Preliminary figure taken from Economic Life.

Japan

Cotton yarn production in Japan increased slightly during August over production in July and was 4 per cent greater than during August lastyear, according to a cable received from Consul Dickover stationed at Kobe, Japan. Yarn exports continued slow owing to the disturbed political situation in China which has been partly responsible for the extended depression in the Japanese textile industry. Yarn stocks showed no increase during August, probably due to activity of knitting mills. Exports of cotton cloth were fairly good during August with diminishing stocks on hand. Imports of raw cotton into Japan declined during August compared with July, but were greater than for August 1927. Imports of American cotton have continued to decline. Stocks of cotton, both American and all kinds at Japanese ports, have also continued to decline so that the outlook for purchases of American cotton seems favorable.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-August, 1927 and 1928
(Bales of 500 pounds gross)

Country to which exported	July-August 1927	July-August 1928	August 1927	August 1928	August 1928 Long staple	August 1928 Short staple
	Bales	Bales	Bales	Bales	Bales	Bales
LONG AND SHORT STAPLE:						
Soviet Russia in Europe	150,724	121,406	68,583	44,653	35,756	8,897
Germany	134,721	84,998	71,939	43,241	8,164	35,077
United Kingdom	81,873	78,750	45,490	33,784	10,094	23,690
France	70,232	60,913	48,743	30,576	5,645	24,931
Italy	55,417	69,188	22,257	28,448	2,038	26,410
Spain	29,415	26,663	18,368	10,931	2,065	8,866
Belgium	23,075	12,516	10,819	5,141	1,029	4,112
Netherlands	10,209	13,324	6,859	5,084	537	4,547
Sweden	3,007	3,568	1,853	1,284	369	915
Other Europe	8,925	6,837	5,269	4,101	396	3,705
Total Europe	567,598	478,163	300,180	207,243	66,093	141,150
Canada	24,443	23,100	7,313	7,303	415	6,888
Japan	74,235	88,592	14,211	35,355	508	34,847
China	29,945	20,218	10,352	13,246	530	12,716
British India	14,956	0	1,214	0	0	0
Other countries	1,700	589	119	321	217	104
Total exports	712,877	610,662	333,389	263,468	67,763	195,705
Total imports a/	61,912	45,870	29,332	26,546		
Total reexports a/	2,281	1,596	1,873	501		
Net exports	653,246	566,388	305,930	237,423		
LINTERS:						
Germany	32,265	10,975	17,893	3,750		
France	3,477	3,096	786	889		
United Kingdom	1,475	1,124	432	248		
Other Europe	2,201	2,549	998	1,722		
Total Europe	39,418	17,744	20,109	6,609		
Canada	1,789	2,002	962	1,255		
Other countries	8	233	7	2		
Total exports	41,215	19,979	21,078	7,866		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

COTTON: Area and production in countries reporting for 1928-29, with comparisons

Item and country	Average 1909-10 to 1913-14	1926-27	1927-28	1928-29	Per cent 1928-29 is of 1927-28
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States	34,152	47,087	40,138	44,916	111.9
India a/	11,471	14,739	15,156	15,196	100.3
Egypt	1,743	1,854	1,574	1,805	114.7
Russia	1,569	1,731	1,984	2,250	113.4
Chosen	146	529	502	505	100.6
Bulgaria	2	7	13	15	115.4
Total above countries	49,083	65,947	59,367	64,687	109.0
Est. world total excl. China	62,500	80,900	73,800		
PRODUCTION	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
United States	13,033	17,977	12,955	14,439	111.5
Egypt	1,453	1,586	1,252	1,430	114.2
Total above countries	14,486	19,563	14,207	15,869	111.7
Est. world total incl. China	20.900	28,000	23,800		

Official sources and International Institute of Agriculture except as otherwise stated.

a/ First estimate which includes only area planted up to August 1.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-32

October 29, 1928

FOREIGN NEWS ON COTTON

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COTTON MARKET PROSPECTS IN THE ORIENT

Japan

Japanese purchases of American cotton will be large during the 1928-29 season, probably around 1-1/4 million bales, unless the Chinese boycott of Japanese goods becomes more effective than it is at present, according to a cable received by the Foreign Service of the Bureau of Agricultural Economics from Consul Dickover at Kobe, Japan. Mill activity has been well maintained and stocks of raw cotton have been declining. Yarn production for September amounted to 81,200,000 pounds compared with 81,600,000 pounds for August and 81,025,000 pounds for September 1927. Yarn exports increased to 2,320,000 pounds in September from 1,520,000 pounds in August, due to a revival of exports to China; and domestic yarn consumption amounted to 25,480,000 pounds in September compared with 25,000,000 pounds in August, reports Consul Dickover. Stocks of yarn in Kobe and Osaka declined during September on account of increased sales and some decline in production. Nevertheless there was a continued downward trend in yarn prices in September. Exports of cotton cloth decreased in September by 2,000,000 square yards compared with August due entirely to decreased exports to China. Cotton imports for the month amounted to 210,000 bales of 500 pounds compared with 195,000 bales for August. Of these imports there were 63,000 bales of American cotton compared with 61,000 bales in August.

Japanese mills have been developing in recent years toward the spinning of finer counts of yarn. This tendency is reflected in an increase in consumption of American and Egyptian cotton in the 1927-28 season compared with consumption in 1926-27 and a decrease in consumption of Indian cotton. A continued increase in consumption of American cotton seems probable.

China

Cotton production in China for this season will probably be 10 to 20 per cent less than last year's large crop, according to Agricultural Commissioner Nyhus at Shanghai. Cotton crops in China's two most important cotton growing regions near Shanghai and Hankow, are considered good but not as large as the 1927 crop. These regions supply the cotton mills

of Shanghai. Reports on the North China cotton crop are conflicting but it is probable that it is considerably smaller than last year's bumper crop. Part of the cotton from North China is consumed by the mills in Tientsin and Tsingtao and part is exported to Japan and the United States. A short crop, due to drought, is reported in Western Honan and in Shensi where China's longest staple cotton is grown, which competes with American cotton on the Shanghai market.

Chinese cotton mills have had a six months' period of unusually profitable operations, the best in a number of years, according to Mr. Nyhus. The interior has been buying cotton goods heavily, stocks continue very small, demand is good for yarn at prices profitable in relation to price of raw cotton, and mills have been operating at capacity. The organized boycott of Japanese goods has made it necessary for Japanese mills in Shanghai to quote prices below equal grades of Chinese yarn and by means of this reduction in prices have been able to maintain a good volume of business and good mill operations. Local prices of Chinese cotton are reported to be fairly low. The export demand of Japan is usually a strengthening factor in the Shanghai market but it is explained that so far this season Japan has been able to buy Indian cotton to better advantage than Chinese cotton. The present price of American strict low middling at Shanghai is thirty per cent higher than Chinese cotton so that prospects are that the use of American cotton for the current season will be confined to requirements for high count yarns. According to trade estimates China's imports of American cotton from the 1928 crop will probably be about the same as from the 1927 crop or approximately 150,000 bales. About 70 per cent of these imports will be used by Japanese operated mills.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-33

November 10, 1928.

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN FOREIGN COUNTRIES

Continental Europe a/

Developments in the Continental European cotton industry during the second half of September and the month of October indicate that the declining tendency of production in recent months has now come to a halt, according to reports received by the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner Steere at Berlin. During this period the mills in countries where activity has been slack have been able, for the first time in some months, to maintain their general level of activity. The tendency of new business, though still unsatisfactory on the whole, has recently been toward improvement. The improvement is as yet largely of seasonal character and remains within seasonal limits, but here and there. especially in the weaving branch, reports indicate an active pick up in demand. With the coming of colder weather further progress in this direction is to be expected. Another healthy sign is to be seen in reports of a declining tendency in trade and mill stocks of yarns in some parts of the Continent where the trend hitherto has been upward. In Italy and to a less extent in France, the position of the industry continues very favorable from the standpoint of the amount of raw cotton being consumed. Generally speaking, however, there is no reason to anticipate a pronounced upward turn in European cotton mill activity in the near future, as there is no immediate prospect of any uniform upward tendency in general business conditions.

European cotton market reports have continued to indicate good business in raw cotton with the mills during the second half of September and the month of October. The firmer tendency of raw cotton prices during this period, as well as greater confidence in the price level, have been important factors influencing spinner demand, but it is also reported that many spinners have been in need of cotton for current requirements since mill stocks of cotton have dropped very low recently. Manufacturers have been interested for forward positions as well as spot and near cotton. Continental Spinners' takings have increased during the last few weeks but the total for the season up to November 2 amounted to 1,205,000 bales against 1,406,000 bales to the corresponding date last year.

Germany

Reports on actual production conditions in the German cotton textile industry indicate no significant change during September and October. While now considerably restricted, the activity of both spinning and weaving mills

a/ Report of October 22, supplemented by cable of November 2.

in September was maintained at about August levels, the tendency for several months prior having been steadily downward. The hope that the bottom would soon be reached now seems to have been justified, inasmuch as the outlook now appears a little more favorable, states Mr. Steere.

The beginning of some improvement in sales by textiles mills reported a month ago has continued. Reports on yarn sales by spinning mills seem to indicate a fair increase in the volume of business, inasmuch as spinners have increased their prices and at the same time have apparently obtained slightly better margins, though they are still not satisfactory. Yarn stocks at the spinning mills have continued to decline in recent weeks and stocks of yarn in the hands of the weavers and the trade are reported unimportant. The situation in this respect is very sound and seems to afford a good basis for expectation that spinning mill activity can be maintained at current levels and possibly slightly improved, now that the position of weavers is better.

The weaving mills now appear to be relatively better off than the spinning mills when it comes to business on the books, as in some important branches of the industry manufacturers have had very active demand since the raw cotton market has become firmer. Weaving mills, accordingly, have improved their unfilled order position and are now reported sold out into January. Weavers requirements for yarn, therefore, seem likely to increase somewhat in the near future. The settlement of the Rhineland strike has also improved prospects for the future.

The German textile retail trade also reports better sales in September and October, particularly since colder weather set in. Retail stocks of textile goods are moderate and the retail situation is now judged to be quite sound. The complaints of slow payment, quite general a few months back, are now less numerous.

Reports from Bremen during the past four weeks indicate good buying by German, Czechoslovakian, Austrian and Polish spinners, with inquiry for spot, near and forward positions equally active. Demand from German spinners for some time has been effected by the lock-outs and strikes among textile workers in the Rhineland, but the settlement of the strike has improved the demand outlook. Bremen dealer buying for import has been reported very good throughout the period.

Arrivals of raw cotton at Bremen from the first of the season up to October 20 amounted to only 274,000 bales as compared with 402,000 bales for the same period last year. Exports from Bremen during the same period, however, were only 390,000 bales as compared with 522,000 last year. The decline in stocks does not differ materially from that of a year ago, amounting during the seven weeks to 116,000 bales as compared with 120,000 last year.

GERMANY: Imports of cotton yarn and woven materials

Month	Cotton yarn			Woven cotton materials		
	1926	1927	1928	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	5,772	6,931	13,252	3,333	1,594	5,959
February	5,154	12,809	11,409	2,846	2,943	4,363
March	4,899	10,384	10,657	1,984	3,671	4,403
April	4,140	13,488	10,154	1,351	3,995	3,530
May	3,554	12,509	8,823	1,142	4,687	2,650
June	4,638	13,294	8,093	1,142	4,824	2,092
July	3,988	12,328	7,502	787	4,694	2,255
August	3,962	14,240	7,046	787	4,277	1,455
September	4,500	13,962	7,332	794	5,355	1,534
October	4,599	13,514		1,380	5,719	
November	5,657	12,840		990	5,753	
December	5,617	12,879		1,063	5,573	

Compiled from official German foreign trade statistics.

COTTON YARN: Imports into Germany from Austria

Month	1925	1926	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	357	664	243	163
February	553	494	476	260
March	758	331	558	220
April	800	331	694	203
May	683	243	628	340
June	1,098	203	456	245
July	1,276	194	355	293
August	1,349	139	551	201
September	1,451	165	317	176
October	1,206	132	245	
November	972	148	240	
December	511	159	223	

Official German foreign trade statistics.

Czechoslovakia

September and early October reports from Czechoslovakia indicate that the expected seasonal improvement in textile mill sales is now being experienced. A betterment in domestic sales of both yarns and fabrics is reported, but export sales remain rather unsatisfactory, particularly sales of yarn to Germany. There has been a certain seasonal improvement in sales of fabrics to southeastern Europe, but business in this direction still leaves much to be desired. The improvement in business reported from Czechoslovakia appears to have had some influence upon mill activity, in spite of some accumulation of stocks during the summer, as increased activity is reported.

CZECHOSLOVAKIA: Activity of mills spinning fine cotton, by months, August 1926 to August 1928

Year and month	Basis spindle hours	Basis active spindles	Activity of active spindles
	Per cent	Per cent	Per cent
1926-			
August	62.60	75.30	83.10
September	69.57	76.40	91.10
October	80.30	79.60	100.10
November	90.40	86.40	104.50
December	96.50	87.40	110.40
1927-			
January	98.00	87.00	112.60
February	101.00	90.00	112.20
March	105.00	91.00	115.40
April	108.00	93.00	116.10
May	110.00	93.00	118.30
June	110.00	93.50	117.60
July	102.00	93.00	110.50
August	107.20	94.20	113.00
September	114.90	95.00	121.00
October	113.50	95.20	119.50
November	110.60	95.60	115.70
December	110.60	95.60	115.70
1928-			
January	110.00	95.50	115.20
February	109.00	94.90	114.80
March	108.00	94.40	114.40
April	105.00	93.40	112.40
May	100.00	94.80	105.40
June	95.00	90.30	105.20
July	80.00	89.70	89.10
August	86.50	86.90	97.30

Compiled by the Allgemeiner Deutsche Textilverband.

Austria

Austrian reports indicate a better tendency in sales of both cotton yarns and cotton goods during September, although improvement was mostly of seasonal character. A recent development of considerable interest is the booking by Austrian weaving mills of important orders from Russia. Increased mill activity is also reported for Austrian mills.

AUSTRIA: Cotton spinning mill activity
(In per cent of "full capacity") a/

Month	1924	1925	1926	1927	1928
	Per cent	Per cent	Per cent	Per cent	Per cent
January	70.0	76.6	81.4	75.3	83.3
February	70.0	80.1	84.6	78.9	80.5
March	73.6	75.3	79.2	81.5	80.8
April	71.5	74.5	75.4	85.5	78.4
May	67.1	70.0	66.9	84.5	72.6
June	64.1	75.5	61.5	82.2	76.1
July	86.3	78.5	72.1	87.2	72.8
August	57.3	76.3	57.0	90.4	75.6
September	68.0	78.9	60.1	85.2	
October	70.0	82.5	64.8	84.7	
November	69.1	91.3	75.9	82.6	
December	78.2	66.8	75.3	82.4	

Compiled by the Austrian Institute for Business Research.
a/ These indices are expressed in per cent of so-called "full capacity", which probably means pre-war single shift capacity. Inasmuch as the pre-war working day was 25 per cent longer than the present, 25 per cent added to the above figures would about give present activity in terms of present single shift capacity.

France

The revival of demand reported by the French cotton weaving industry during the latter half of September lost some of its strength during the first half of October, but during the last half of the month improvement was reported and the inflow of new business has continued on a somewhat higher level than that prevailing at the end of August. The situation among the spinning mills is lacking in uniformity. Mills in the Roubaix-Tourcoing district report continued unsatisfactory business, but operations have not yet been much affected. In eastern France the situation is somewhat more favorable with regard to new bookings. Export business is said to be considerably reduced because of keen foreign competition. The general level of operations in both the spinning and weaving branches during September and early October is unchanged as compared with a month earlier, so that the consumption of raw cotton remains at a relatively high level, in spite of some complaints about the general situation of the industry.

Italy

Reports from Italy are to the effect that the situation of the Italian cotton industry improved during August and September. Spinning mills experienced a fairly good revival of demand for yarn during September and reached full time operation by the end of the month, with engagements for three months ahead. Spinners are also reported to have profited from the low basis through important commitments for raw cotton in September. Prices realized for yarns, however, were not entirely satisfactory. A good demand also developed for cotton fabrics in September, especially for finer counts, although manufacturers were not satisfied with prices obtained. Activity in the weaving mills is proceeding at very satisfactory levels. Stocks of cotton goods are reported as small. Private reports also state that the financial standing of the mills is now quite good with only a few of them drawing bank credits beyond normal amounts.

Italian export business in both yarns and fabrics to the Near and Far East and to South America has been good in the past few months, although somewhat below the normal levels. Italian trade reports indicate that Italy's export markets for cotton products are strongly held and even being expanded, although exporters are rather cautious in accepting orders from so many of these countries because of heavy losses suffered in the past.

Belgium

September and early October reports on the Belgium cotton textile situation indicate the maintenance of a relatively good level of spinning and weaving activity, although the general situation was rather unsatisfactory from the standpoint of prices being realized. Mill stocks of yarns are also said to be still showing a tendency to rise. Exports, furthermore, are moving unfavorably although some export sales have been effected lately to Holland and Great Britain. Germany now shows little interest in Belgian yarn.

Poland

The Polish textile industry which has been suffering from a general strike in the great spinning center, Lodz, is now in a better position due to the settlement of the strike. The strike came as an additional handicap to an industry having already to contend with the problem of overproduction, brought on by a rather planless over-expansion of cotton mill capacity in the past few years.

Polish mills have been dependent upon exports for a part of their outlet, particularly upon exports to Rumania, which have been much reduced recently by English, Czechoslovakian and Italian competition. Considerable hope had also been set upon the development of exports to Russia, and these have never materialized. The number of workers employed in the Polish cotton industry is 41,500 and the number of factories 40. Five of these factories employing 6,500 workers were closed down by the owners in September, according to reports. It is of interest to note that Polish spinners have been reported active in Bremen in recent weeks.

Cotton textile situation in other foreign countries

Great Britain

Improved demand for yarn and piece goods and some increase in spinning activity has been reported by the British trade. It is said to be evident that the recommended stoppage of a fortnight before the end of October has not been carried out by the spinners.

Mill amalgamation schemes and the effect that amalgamation is likely to have on the reduction of overhead charges of spinning are being considered by a special sub-committee appointed by the Federation of Master Cotton Spinners' Associations, according to trade reports. Various schemes have been discussed but no reports have been received to date of definite recommendations for amalgamation.

British exports of cotton yarn during September amounted to 11,245,000 pounds compared with 15,807,000 pounds in September 1927 and 12,142,000 pounds in September 1926. Yarn exports to India increased but were more than offset by decreases for Germany and Netherlands.

Cotton cloth exports have also declined, amounting to 298,228,000 square yards compared with 339,046,000 square yards in September 1927 and 311,686,000 square yards in September 1926. Total exports of cotton cloth for the nine months ending September 30 weee only slightly less than for the same period in 1927 and 1926. There were considerable decreases for India and compensating increases for Netherlands, Dutch East Indies and Argentina.

Russia

Production of cotton yarn and finished goods in Russia was on a higher level for the first eight months of 1928 than during the corresponding period in 1927. Production of yarn in August amounted to 60.2 million pounds compared with 47.6 million pounds in August 1927 and production of finished goods amounted to 240.3 million yards compared with 200.- million yards for the same period last year, (see following table).

RUSSIA: Production of cotton yarn and cotton goods, by months, 1927 and 1928

Year and month	Yarn	Semi-finished goods	Finished goods
	Million pounds	Million yards	Million yards
1927-			
January	47.2	---	209.9
February	48.3	---	213.6
March	50.5	---	219.8
April	50.3	---	215.3
May	54.0	---	222.9
June	50.5	---	210.1
July	36.6	---	151.4
August	47.6	---	200.0
September	56.7	241.4	245.8
October	56.4	235.5	239.2
November	52.2	217.6	220.4
December	57.5	233.7	242.0
1928-			
January	59.3	244.1	246.1
February	58.9	243.3	235.1
March	62.4	259.4	252.3
April	54.0	219.3	212.3
May	61.7	253.9	238.4
June	57.1	241.0	206.7
July	43.4	172.5	a/ 192.6
August	60.2	241.6	a/ 240.3

Compiled from the Statistical Review published by the Central Statistical Bureau of U.S.S.R. and from the Economic Bulletin of the Conjuncture Institute.

a/ Preliminary figures taken from Economic Life.

COTTON, UNMANUFACTURED: Exports from the United States, by countries, July-September, 1927 and 1928
(Bales of 500 pounds gross)

Country to which exported	July-September 1927	July-September 1928	September 1927	September 1928	September, 1928 Long staple	September, 1928 Short staple
LONG AND SHORT STAPLE:	Bales	Bales	Bales	Bales	Bales	Bales
Germany	398,845	349,662	264,124	264,664	24,536	240,128
Soviet Russia in Europe	187,422	186,206	36,697	64,800	34,917	29,883
France	153,203	150,147	82,971	89,234	15,946	73,288
United Kingdom	147,357	171,213	65,484	92,462	14,218	78,244
Italy	83,004	140,581	27,587	71,393	4,058	67,335
Spain	65,538	69,815	36,123	43,152	1,497	41,655
Belgium	40,698	34,052	17,623	21,536	4,114	17,422
Netherlands	16,058	27,009	5,849	13,685	2,656	11,029
Sweden	5,746	9,800	2,739	6,232	1,120	5,112
Other Europe	20,198	15,445	11,274	8,609	211	8,398
Total Europe	1,116,069	1,153,930	550,471	675,767	103,273	572,494
Canada	34,327	33,004	9,383	9,905	2,002	7,903
Japan	154,992	235,793	80,755	147,202	2,347	144,855
China	32,795	39,719	2,850	19,502	80	19,422
British India	15,172	0	216	0	0	0
Other countries	2,000	880	303	289	0	289
Total exports	1,357,355	1,463,326	644,478	852,665	107,702	744.963
Total imports a/	91,563	65,229	29,651	19,359		
Total reexports a/	3,101	2,469	820	872		
Net exports	1,268,893	1,400,566	615,647	834,178		
LINTERS:						
Germany	41,465	13,460	9,201	2,485		
France	4,775	3,896	1,297	800		
United Kingdom	1,601	1,412	125	287		
Other Europe	2,960	3,081	760	534		
Total Europe	50,801	21,849	11,383	4,106		
Canada	2,871	2,899	1,083	897		
Other countries	12	460	4	226		
Total exports	53,684	25,208	12,470	5,229		

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Bales of 478 pounds net.

COTTON: Area and production in countries reporting for 1928-29, with comparisons

Item and country	Average 1909-10 to 1913-14	1926-27	1927-28	1928-29	Per cent 1928-29 is of 1927-28
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States	34,152	47,087	40,138	44,916	111.9
Mexico	253	613	326	521	159.8
Anglo-Egyptian Sudan	44	216	247	278	112.6
Other countries previously reptd.and unchanged a/..	22,031	26,360	24,753	26,330	106.4
Total above countries ..	56,480	74,276	65,464	72,045	110.1
Est. world total,ex.China	62,500	80,900	73,800		
PRODUCTION b/	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
United States	13,033	17,977	12,955	13,993	108.0
Russia	905	755	983	1,178	119.8
Anglo-Egyptian Sudan	14	130	126	138	107.8
Other countries previously reptd.and unchanged c/..	1,648	1,966	1,445	1,722	119.2
Total above countries ..	15,600	20,828	15,509	17,031	109.8
Est. world total including China	20,900	28,900	23,800		

Official sources and International Institute of Agriculture, except as otherwise stated.

a/ Includes Egypt, India (incomplete), Russia, Chosen, Bulgaria, Algeria, Syria and Alaouite.

b/ In bales of 478 pounds net.

c/ Includes Egypt, Tanganyika and Mexico.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-34

November 26, 1928

FOREIGN NEWS ON COTTON

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COTTON MARKET PROSPECTS IN THE ORIENT

Japan

The cotton spinning and weaving industries in Japan were unusually active during October, according to a cablegram received by the Foreign Service of the Bureau of Agricultural Economics from Consul Dickover at Kobe. The Japan Cotton Spinners' Association reports yarn production for the month as 84,400,000 pounds as compared with 81,200,000 for September, and 82,600,000 for October 1927. Exports of yarn, while increasing over September, were below those of a year ago, the total being 2,600,000 pounds against 3,300,000 for October 1927. Stocks of cotton yarn at Kobe and Osaka decreased during the month. Cotton cloth production was 120,000,000 yards in October against 107,000,000 in October last year. Imports of American cotton decreased 5,000 bales from September, being 58,000 bales as compared with 28,000 in October 1927. Stocks of raw cotton in bonded warehouses were 251,000 bales at the end of October, a decrease of 32,000 bales from the end of September. Reports indicate that Japanese spinning mills are having a fairly profitable year.

China

Yarn prices in China continue to be profitable in relation to raw cotton prices and Shanghai mills are operating at capacity, according to a cablegram from Agricultural Commissioner P.O.Nyhus at Shanghai. Arrivals of Chinese cotton have been heavy and stocks for the present are excessive. This may be due either to improved transportation conditions or to large crops in Hankow and Shanghai. Arrivals of the variety of Shanshi cotton which can be substituted for American strict low middling are also large. With large supplies of Chinese cotton, there is no interest in Indian cotton and the market for American cotton is quiet.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S
C-35

December 13, 1928.

FOREIGN NEWS ON COTTON

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COTTON DEMAND SITUATION IN EUROPE

Continental Europe

A tendency toward general improved demand for cotton on the European Continent with larger spinners' buying and increased volume of purchases by importing merchants is reported by cable from L. V. Steere, American Agricultural Commissioner at Berlin, to the Foreign Service of the Bureau of Agricultural Economics. Mill activity was said to be increased as a result of more sales of yarn and fabrics, but the increased activity is mostly seasonal.

In Germany weavers report a considerable volume of new orders. The number of union members fully employed was 53 per cent in October, 51 per cent in September, 46 per cent in August. Mill stocks of yarn and goods are declining with curtailed imports of piece goods due to the low prices. In the wholesale and retail trades stocks of finished goods are below last year, but retail sales are at about the same level. Mill stocks of raw cotton held by spinners were reported low, and spinners' buying at Bremen was active.

In Czechoslovakia, Austria and France, sales by spinners and weavers show some improvement. A general improvement in the textile industry in Hungary was recently reported. The demand for raw cotton in France has been rather good with stocks of cotton and goods declining. In Italy the demand for raw cotton has also been good, and consumption of American cotton in November was about 12 per cent above November last year. Stocks of yarn are below those of a year ago, but mill stocks of American cotton are about one-third larger. Unfilled orders for yarn are 20 per cent above last year. Belgium reports decreasing stocks of yarn and goods and improvement in spinners' and weavers' sales.

United Kingdom

Latest returns from the British Ministry of Labor show that there was some improvement in the state of employment in the American section of the spinning industry in October. The percentage of insured work people unemployed on October 22 was 13.1 as compared with 14.5 on September 24, and 11.0 on October 24, 1927. Total wages paid to all work people in the cotton industry in October were 3.7 per cent above September, but 1.6 per cent below October 1927. Exports of cotton yarn were approximately the same as last year, while exports of piece goods were 334 million square yards in October 1928 against 312 million in October 1927, and 308 million in October 1926. Stocks of American cotton at Liverpool and Manchester on November 30 were 716,000 bales, as compared with 965,000 bales and 1,136,000 bales on the corresponding days in 1927 and 1926 respectively, according to the "Commercial and Financial Chronicle."

RUSSIAN COTTON SITUATION

October reports from Russia indicated that the outlook for the new cotton procuring campaign which began during the second half of September was favorable on the whole, in spite of the existence of the usual difficulties in supplying the cotton producing regions with grain, according to Agricultural Commissioner L. V. Steere at Berlin. Estimates as to this year's crop vary from 1,056,000 to 1,206,000 bales of 478 pounds compared with 986,000 bales harvested last year. The Central Statistical Board of U. S. S. R. estimate was for a crop about 20 per cent larger than last year, or roughly 1,176,000 bales. The above estimates assumed that the cotton plant would suffer a minimum of damage from frost and are subject to change.

The sown area under cotton this year is about 2,250,000 acres as compared with 1,984,000 last year and 1,731,000 two years ago. The plan for 1928-29 anticipated an acreage of 2,423,000, so that actual sowings were considerably below expectations. The sown area in Central Asia (Turkestan), which comprises about 90 per cent of the total cotton area of the Union, is reported to be about 1,925,000 acres this year.

The All-Russian Textile Syndicate has announced plans for the consumption of 1,859,000 bales of raw cotton for the year 1928-29 as compared with 1,692,000 bales in 1927-28. These figures give a clue as to the probable requirements of the Russian cotton textile industry during the current season. Accepting the official 1927 Russian cotton crop estimate of 986,000 bales, it appears that additional requirements for the past season were roughly 710,000 bales of raw cotton from all sources. If this year's domestic crop reaches 1,176,000 bales, and if the planned consumption is actually attained, the additional requirements will amount to about 680,000 bales, or roughly the same as last year.

Russia's production of cotton has steadily increased since the war, but only last season did production reach that of the pre-war period, when the average from 1909-10 to 1913-14 was 905,000 bales of 478 pounds. Consumption has likewise increased, with corresponding greater takings of American cotton. According to Russian sources, an increasing percentage of American cotton is purchased in the United States directly, as against purchase through intermediary British and German markets. It is reported that the percentage of American cotton purchases directly in the United States was 82 per cent in 1924-25, and increased to 96 per cent in 1927-28.

The output of the Russian cotton mills has greatly increased. The quality of the fabrics, however, is reported to be much poorer than in pre-war times. It is thought that a further expansion of the industry will have to take place mainly by erecting new mills. It is to be expected, therefore, that future development of manufacture will be at a much slower rate than heretofore. There is a shortage of skilled textile workers which has recently become apparent, when the eight-hour working day was changed to a seven-hour working day in some mills. According to data of the All-Russian Textile Syndicate as of September 1928, the total number of workers employed in factories working on a seven-hour basis amounted to 113,712, or

22.4 per cent of the total number of workmen employed in the cotton textile industry. The capacity of cotton textile plants working on the basis of seven hours amounts to 24.6 per cent of the total working capacity in the case of spinning mills and 17.1 per cent in the case of weaving mills. The shift to a universal seven-hour working day is expected to continue and to be finished within the next few years.

EGYPTIAN COTTON SITUATION

Production in Egypt, according to a cablegram received December 4 from the International Institute of Agriculture at Rome, is now estimated at 1,490,000 bales of 478 pound equivalents, or practically the same as the previous estimate. This figure includes 484,000 bales of Sakellaridis and 1,006,000 bales of other varieties. Last season production of Sakellaridis amounted to 522,000 bales, and of other varieties 730,000 bales.

The table below shows that production in Egypt during the last four years has averaged somewhat higher than the previous four years. United States imports of Egyptian cotton, however, do not show an increasing trend. This season the premium of Egyptian cotton over American staple has been unusually small.

COTTON: Production in the United States and Egypt, and Imports in the United States, 1919-20 to 1927-28

Season	Production		United States Imports	
	United States	Egypt	Egyptian	Total
	Bales	Bales	Bales	Bales
1919-20	11,421	1,155	485,004	700,214
1920-21	13,440	1,251	87,168	226,341
1921-22	7,954	902	233,729	363,465
1922-23	9,762	1,391	329,335	469,954
1923-24	10,140	1,353	164,152	292,288
1924-25	13,628	1,507	190,313	313,328
1925-26	16,104	1,629	238,620	325,511
1926-27	17,977	1,497	231,767	400,983
1927-28	12,955	1,252	201,856	338,226
1928-29	a/ 14,373	1,490		

Source: United States - Production and Imports, Bureau of the Census; Egypt - Production, International Institute of Agriculture.

a/ Preliminary estimate of the Crop Reporting Board, Department of Agriculture.

COTTON: Prices and premiums of American and Egyptian (per pound)

Date	Price Egyptian Uppers F.G.F. New England mills	Price American middling upland at Memphis		Premium 1-1/8" over 7/8" at Memphis	Premium of Egyptian Uppers at New England mills over 7/8" at Memphis	Premium of Egyptian Uppers at New England mills over 1-1/8" at Memphis
		7/8"	1-1/8"			
	Cents	Cents	Cents	Points	Points	Points
1925 -						
Nov 27	30.75	20.50	25.00	450	1025	575
1926 -						
Nov 26	19.37	12.50	14.50	200	687	487
1927 -						
Nov 25	30.25	19.25	22.75	350	1100	750
1928 -						
Jan 27	27.50	17.55	20.05	250	995	745
Feb 24	28.75	18.05	20.55	250	1070	820
Mar 30	30.25	18.65	20.65	200	1160	960
Apr 27	32.00	20.50	22.50	200	1150	950
May 25	31.00	19.85	21.85	200	1115	915
June 29	31.13	22.25	24.25	200	888	688
July 27	29.38	20.45	22.45	200	893	693
Aug 24	27.25	18.45	20.45	200	880	680
Sept 28	24.50	18.00	20.75	275	650	375
Oct 26	25.50	17.60	21.55	395	790	395
Nov 30	26.07	18.90	20.37	147	717	570

Compiled by the Division of Cotton Marketing, Bureau of Agricultural Economics.

Note: The cost of delivering cotton to New England mills from Memphis is approximately 1.3 cents per pound.

FOREIGN PRODUCTION PROSPECTS

Cotton production in foreign countries reporting to date is estimated at 3,246,000 bales, an increase of 21 per cent over last season. The table on the following page gives area and production for countries reporting to date.

COTTON: Area and production in countries reporting for 1928-29, with comparisons

Item and country	Average 1909-10 to 1913-14	1926-27	1927-28	1928-29	Per cent 1928-29 is of 1927-28
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
AREA					
United States	34,152	47,087	40,138	45,326	112.9
Uganda	58	570	540	698	129.3
Other countries previously rept'd & unchanged a/..	22,328	27,189	25,326	27,129	107.1
Total above countries	56,538	74,846	66,004	73,153	110.8
Est. world total ex. China	62,500	80,900	73,800	---	---
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per cent
PRODUCTION b/					
United States	13,033	17,977	12,955	14,373	110.9
Chosen	20	145	135	148	109.6
Egypt	1,453	1,586	1,252	1,490	119.0
Other countries previously rept'd & unchanged c/	1,114	1,265	1,292	1,608	124.4
Total above countries	15,620	20,973	15,634	17,619	112.7
Est. world total including China ...	20,900	28,900	23,800	---	---

Official sources and International Institute of Agriculture except as otherwise stated.

a/ Includes Egypt, India (incomplete), Russia, Mexico, Chosen, Bulgaria, Algeria, Syria, Anglo-Egyptian Sudan and Alaouite.

b/ In bales of 478 pounds net.

c/ Includes Russia, Mexico, Anglo-Egyptian Sudan and Tanganyika.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S
C-36

December 27, 1928.

FOREIGN NEWS ON COTTON

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GOOD DEMAND FOR AMERICAN COTTON IN THE ORIENT

China

The demand for cotton yarn in China continues good with mills operating at capacity, according to a cablegram received by the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner Paul O. Nyhus at Shanghai. The profitable mill operations the past eight months have resulted in some expansion in mill equipment as Chinese owned mills have placed orders for 70,000 new spindles, most of which are intended for spinning high count yarns. Supplies of Chinese cotton continue excessive and prices are somewhat lower than a month ago. Stocks at Shanghai and at Hankow are estimated to be sufficient for requirements up to March 1. Under present conditions of supply and prices of Chinese cotton few purchases are being made of Indian cotton but heavy current consumption and a slight favorable change in price relationships may induce purchases of Indian cotton for spring and summer consumption.

Demand for American cotton continues quiet as the mills have covered their requirements up to about March 1. It is expected that considerable new business will be done for shipment in February and later. A factor contributing to the maintenance of a high rate of consumption of American cotton is the poor quality this year of the most important source of native cotton that will normally spin twenty count yarn, which requires a certain per cent of American cotton.

In spite of the Japanese boycott propaganda, Japanese mills in China continue active operations.

Japan

Continued heavy purchasing of raw cotton in Japan is indicated by the increasing activity of spinning and weaving mills. In November the amount of yarn purchased by spinning mills and consumed by weaving mills showed an increase over October and over November last year, according to a cablegram received from Consul Dickover at Kobe. Buying of American cotton for future delivery in Osaka, however, was reported slow the latter part of November due to the large amounts already contracted.

Production of yarn in November reached 217,000 bales of 400 pounds, compared with 211,000 in October and 206,000 in November, 1927. Consumption of yarn by weaving mills was 68,200 bales in November, 66,700 in October, and 60,934 in November, 1927.

Exports amounted to 5,800 bales against 5,000 in November, 1927. Stocks of yarn at Kobe and Osaka at the end of November were slightly smaller than at the end of October.

Cloth production in November was 122 million yards, in October, 120 million and in November, 1927, 180 million. The exports were 102 million yards in November and 81 million in October.

Imports of American cotton totaled 92,000 bales in November and 81,000 in November, 1927. Stocks of cotton of all kinds in bonded warehouses at the end of November were 318,000 bales, at the end of October, 251,000 and at the end of November, 1927, 366,000.

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